OFFICE OF THE
AUDITOR GENERAL
MANITOBA

March 31, 2009

Operations of the Office

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

July 2009

The Honourable George Hickes
Speaker of the House
Room 244, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

I have the honour to transmit herewith my report titled, *Operations of the Office for the year ended March 31, 2009*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Sections 26(2) and 28 of The Auditor General Act.

Respectfully submitted,

Original document signed by:
Carol Bellringer

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

Table of Contents

Message from the Auditor General 1

1.0 Our Role and Purpose 4

2.0 Risk Management 9

3.0 Our Audit Activities and Outputs 11

4.0 How We Carry Out Our Work 20

5.0 Our Performance 26

6.0 Financial Accountability 30

Appendices

Appendix A: The Auditor General Act

Appendix B: Listing of Audit Entities

Appendix C: Listing of Selected Auditor General's Reports by Subject Area

Message from the Auditor General

This report is issued to fulfill my obligations under *The Auditor General Act* to report to the Assembly before August 1 of each year on the operations of my Office. Section 26(2) sets out the reporting requirements, being information on the performance of the Office and the audit report on the accounts of the Office.

The performance of the Office is measured in a number of ways. Section 1 of this report outlines the role and purpose of the Office of the Auditor General. The audit mandate is defined in *The Auditor General Act* and summarized in Section 1 of this report. We define our "clients" to be the Members of the Legislative Assembly (MLAs), and through them, the citizens of Manitoba. Government organizations and recipients of public monies are the beneficiaries of our work. Section 1 further defines the "desired outcomes" of our work and our objectives. Sections 3 and 4 of this report links those objectives to our strategies and details how we monitor our performance.

Of note this year is the significant progress that has been made by the Public Accounts Committee (PAC), a Standing Committee of the Legislature, to which all of our reports are referred. The progress in clearing the backlog of our reports to be "passed" by the PAC is noteworthy. In addition, several other initiatives further discussed on page 7 are extremely positive steps forward for the PAC. We commend all who have been involved in making this happen.

One of our priorities last year was to increase our capacity in Value-for-Money (VFM) audits. We are pleased to report that the percentage of audit time allocated to VFM audits has increased from 18% to 27% for the year ended March 31, 2009. This has taken us much closer to our goal of 50% for VFM and Special Audit time combined, being 40% as contrasted with 32% the previous year. The improvement was made by allocating full-time staff to the VFM area and will be further addressed in the upcoming year by filling two additional staff vacancies to be allocated full-time to VFM.

Last year we indicated that another priority was to gear up for the new professional standards. This will continue to be an emphasis for the Office as we aim to maintain our expert knowledge of financial statement accounting standards. Public sector accounting standards are the generally accepted accounting principles (GAAP) that apply to the Public Accounts, which we are mandated to audit. Other public sector organizations which we audit apply other GAAP established by the Canadian Institute of Chartered Accountants (CICA) including International Financial Reporting Standards (IFRS) which will come into effect in 2011. The changes to accounting standards are complex and add to the challenge for MLAs and the public to understand financial reports. We will continue to provide MLAs with assistance in this area and have taken that into consideration in establishing our workplan for the upcoming year. Along with all other Provincial Auditors General, we entered into a memorandum of understanding with the Office of the Auditor General of Canada to benefit from the services of a National Professional Practices Group (NPPG) to assist us in this area. The NPPG will provide us with technical accounting and auditing advisory services and training support on an as-needed basis.

The third priority last year was to increase our focus on environmental audits. While we have commenced a VFM audit in this area and intend to report on our findings in November 2009, we recognize that there are many areas which would benefit from our audit efforts and that this is only one. As a result, we have not identified a single program area as a priority this year, but rather provide a list of our planned activities for 2009/10 on page 15 of this Report. Our planned activities take program risk and impact into account, while recognizing available staff resources. Audits completed prior to November 2009 will be reported on at that time, establishing November as our annual report date. While we will continue to issue reports throughout the year when they include "a matter of pressing importance or urgency" as permitted under Section 11 of *The Auditor General Act*, all other audit reports will be bundled into a single volume. November was selected, as it is the usual timeframe for a fall sitting of the Legislature and it will enable the PAC to schedule each of the report chapters for discussion in the following calendar year.

Section 5 of this report provides additional information about certain of our professional activities. It is important to note that we continue to place an emphasis on professional development and training for all staff to sustain our professional expertise. We also achieve that goal by working with the Canadian Conference of Legislative Auditors and the NPPG which provide staff with a national peer network. Staff are also actively involved in other professional activities which contribute to the standard setting process, and represent the Office by making public presentations in Manitoba and nationally. I have had the honour of being able to work with the National Audit Office of Kenya through a "twinning" program managed by the CCAF (Canadian Comprehensive Auditing Foundation).

The last section of this report provides an analysis of our financial results and includes the audited financial statements for the Office. Our actual expenditures continued to be below our budget, despite our efforts this year to fill all of our staff vacancies. For the year ended March 31, 2009 we did fill several positions, and plan to fill the remaining positions in the upcoming year. In addition, in 2009 we set aside funds to finance office renovations which we could not complete but which will be completed in 2010.

To conclude, I very much appreciate the highly dedicated, hard-working legislative audit professionals in the Office of the Auditor General of Manitoba. Each person in the Office is dedicated to serving the Legislature and through them, the public of Manitoba. I am grateful for the opportunity to work with them to fulfill my responsibilities as your Auditor General.

Carol Bellringer, FCA, MBA
Auditor General

1.0 Our Role and Purpose

Our Mandate

The Auditor General Act **(Appendix A)** establishes the Office of the Auditor General as an independent entity, reporting to the Legislative Assembly. The Auditor General is appointed for a 10 year renewable term. The current Auditor General was appointed in July 2006.

The Auditor General has the authority, under The Act, to audit all government organizations and recipients of public monies and to provide Members of the Legislature with independent information, advice and assurance on whether:

- public money has been spent with proper regard for economy and efficiency;
- the Legislative Assembly has been provided with appropriate accountability information from government organizations (e.g., annual reports, the Public Accounts); and
- government organizations are complying with financial and administrative legislation, regulations, policies and directives.

With respect to internal operations of the Office, *The Act* gives responsibility for such matters to the Auditor General.

Our clients are Members of the Legislative Assembly (MLAs), and through them, the citizens of Manitoba. Government organizations and recipients of public monies are the beneficiaries of our work.

Our Finances

The Legislative Assembly Management Commission (LAMC), an all-party Legislative Committee, reviews and approves our annual budget. LAMC is also responsible for approval of the auditor selected to audit our Office's financial statements. Frostiak & Leslie Chartered Accountants Inc., were re-appointed to conduct the financial statement audit of our Office for the period 2006/07 to 2010/11.

Our Office's audited financial statements for the year ended March 31, 2009 are presented in **Section 6** of this Report.

Our Strategic Framework

The vision, outcomes and objectives identified below guide the work we carry out to fulfill our mandate

Our Vision

That the Office of the Auditor General is an accessible, transparent and independent audit office, serving the Manitoba Legislature with the highest standard of professional excellence.

Our Desired Outcomes

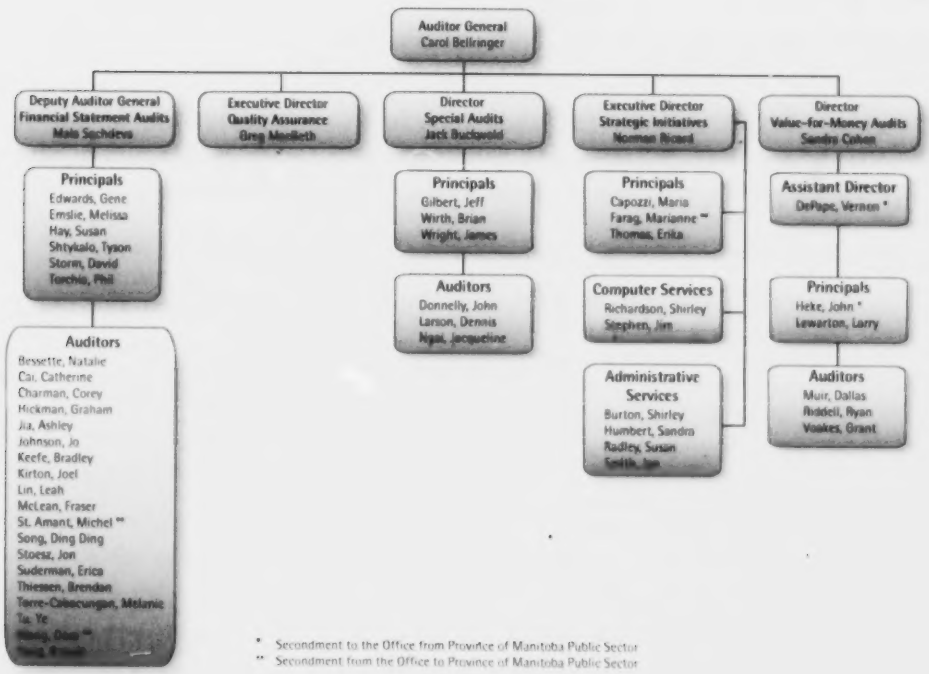
- Government organizations that focus on the achievement of results.
- Meaningful and user friendly public performance reporting by government organizations.
- Strong monitoring function by the Public Accounts Committee and the Legislative Assembly regarding the expenditure of public funds.

Our Objectives

- That our work adds value to the management systems and practices of government organizations. **(Section 3.0)**
- That our work provides Members of the Legislative Assembly with relevant information. **(Section 3.0)**
- That we manage our internal business effectively. **(Section 4.0)**

Organizational Structure

Our organizational structure and members of our staff as at March 31, 2009 are presented below.



* Secondment to the Office from Province of Manitoba Public Sector
** Secondment from the Office to Province of Manitoba Public Sector

The Public Accounts Committee of the Legislature

The Public Accounts Committee (PAC) is an all party Standing Committee of the Legislature chaired by a member of the official opposition and Vice-Chaired by a member of the governing party. The PAC's primary role is to examine the financial administration of public assets and spending of public funds.

We include a section in our Operations Report on the PAC because of the partnership between the Office of the Auditor General and the PAC in the accountability cycle. Our relationship to the PAC extends on a number of fronts: under our legislation, our reports to the Legislature are referred to the PAC; the Auditor General is expected to attend meetings of the PAC; and PAC may request the Auditor General to undertake a special audit, perform specific reviews or special tasks.

During its meetings, the PAC considers our audit reports and when it has concluded its deliberations, it passes our reports. Passing our audit reports means that the Committee has completed its consideration of the report and has no further questions/aspects to examine regarding that report.

The PAC also has the option of preparing a report to the Legislature on its examination of any of our reports and can include additional recommendations in its reports. As such, the PAC can play an important role in ensuring that our recommendations are appropriately acted upon. In fact, the PAC's procedural rules entitle it to systematically follow-up on Government's actions and responses to its recommendations in order to complete the accountability cycle.

The PAC is required by the Rules of the Legislative Assembly to hold between six and eight meetings in each calendar year. While the PAC only held five meetings during the 2008 calendar year, in March of 2009, Notices of Meetings for 11 PAC meetings were issued covering the period from March to October 2009. Seven of those meetings have been held as of the date of this report.

Of note is that each meeting notice specified the reports to be discussed, thereby providing the PAC members, government officials and our Office with adequate time to prepare for the discussions. Last year we reported that 21 of our reports had not yet been dealt with by PAC. As of the date of this report, more than half of these have been passed by PAC and all of the remaining reports are listed on upcoming PAC meeting notices for discussion. Only 4 reports remain to be scheduled for discussion by the PAC.

Organizational Structure

Our organizational structure and members of our staff as at March 31, 2009 are presented below.

The Public Accounts Committee of the Legislature

The Public Accounts Committee (PAC) is an all party Standing Committee of the Legislature chaired by a member of the official opposition and Vice-Chaired by a member of the governing party. The PAC's primary role is to examine the financial administration of public assets and spending of public funds.

We include a section in our Operations Report on the PAC because of the partnership between the Office of the Auditor General and the PAC in the accountability cycle. Our relationship to the PAC extends on a number of fronts: under our legislation, our reports to the Legislature are referred to the PAC; the Auditor General is expected to attend meetings of the PAC; and PAC may request the Auditor General to undertake a special audit, perform specific reviews or special tasks.

During its meetings, the PAC considers our audit reports and when it has concluded its deliberations, it passes our reports. Passing our audit reports means that the Committee has completed its consideration of the report and has no further questions/aspects to examine regarding that report.

The PAC also has the option of preparing a report to the Legislature on its examination of any of our reports and can include additional recommendations in its reports. As such, the PAC can play an important role in ensuring that our recommendations are appropriately acted upon. In fact, the PAC's procedural rules entitle it to systematically follow-up on Government's actions and responses to its recommendations in order to complete the accountability cycle.

The PAC is required by the Rules of the Legislative Assembly to hold between six and eight meetings in each calendar year. While the PAC only held five meetings during the 2008 calendar year, in March of 2009, Notices of Meetings for 11 PAC meetings were issued covering the period from March to October 2009. Seven of those meetings have been held as of the date of this report.

Of note is that each meeting notice specified the reports to be discussed, thereby providing the PAC members, government officials and our Office with adequate time to prepare for the discussions. Last year we reported that 21 of our reports had not yet been dealt with by PAC. As of the date of this report, more than half of these have been passed by PAC and all of the remaining reports are listed on upcoming PAC meeting notices for discussion. Only 4 reports remain to be scheduled for discussion by the PAC.

The progress in clearing the backlog of our reports is noteworthy. In addition, during the year, a part-time researcher was made available to the Committee to provide them with additional support. Deputy Ministers have been invited to appear as witnesses on a regular basis, in addition to Ministers responsible for program areas under review. The Committee has been operating in a more non-partisan fashion. All of these initiatives are extremely positive steps forward for the PAC. The Chair, Vice-Chair, PAC members and other Members of the Legislature and officials who assisted in making this happen should be commended for their efforts.

Reports Scheduled for a PAC Meeting (as at July 2009):

1. Auditor General's Report – Dakota Tipi First Nation Gaming Commission and First Nation Gaming Accountability in Manitoba dated March 2003 (PAC Notice of Meeting: September 9, 2009)

2. Auditor General's Report – Investigation of the Maintenance Branch of the Manitoba Housing Authority dated November 2004 (PAC Notice of Meeting: October 7, 2009)

3. Auditor General's Report – Examination of the Crocus Investment Fund dated May 2005 (PAC Notice of Meeting: October 21, 2009)

4. Auditor General's Report – Aiyawin Corporation: The Consequences of Mismanagement in a Shared Responsibility Framework dated March 2006 (PAC Notice of Meeting: October 7, 2009)

5. Auditor General's Report – Audit of the Child and Family Services Division, Pre-Devolution Child in Care Processes and Practices dated December 2006 (PAC Notice of Meeting: September 23, 2009)

6. Auditor General's Report – Audit of Workplace Safety and Health dated February 2007 (PAC Notice of Meeting: September 9, 2009)

7. Auditor General's Report – Special Audit: Property Transactions in the Seven Oaks School Division dated August 2007 (PAC Notice of Meeting: October 21, 2009)

8. Auditor General's Report – Special Audit: Image Campaign for the Province of Manitoba dated October 2007 (PAC Notice of Meeting: September 9, 2009)

9. Auditor General's Report to the Legislative Assembly – Audits of Government Operations dated December 2008 (PAC Notices of Meetings: September 9, 2009: Compliance with Oil & Gas Legislation and September 23, 2009: Family Services and Housing: Employment and Income Assistance Program; Chapters on Pharmacare II and Ambulance Services have been passed by PAC)

The remaining reports are to be scheduled by PAC:

1. Auditor General's Report – Audit of the Province's Management of Contaminated Sites and Landfills dated October 2007
2. Auditor General's Report – Special Audit: Rural Municipality of La Broquerie dated March 2008
3. Auditor General's Report – Audit of the Public Accounts for the year ended March 31, 2008
4. Auditor General's Report – Follow-up of Previously Issued Recommendations dated March 2009

2.0 Risk Management

Risk Management is the process of making and carrying out decisions that will minimize the liabilities and effects of possible adverse events (risks) on an entity's performance. We have established controls to reduce the likelihood that identified risks would adversely affect our ability to achieve our mandate and objectives.

Independence

We need to maintain our independence in order to ensure that we provide objective advice to MLAs. To address the risk of loss of independence or perceived loss of independence, we comply with the standards of our professional associations and have policies and procedures dealing with due care and objectivity, conflict of interest and political affiliations.

Challenges, however, continue to exist.

The Auditor General Act states that *"Officers and employees of the Auditor General, including the Deputy Auditor General, are employees within the meaning of The Civil Service Superannuation Act"*. As such we are required to follow Civil Service Commission (CSC) and Treasury Board Secretariat (TBS) policies and procedures with respect to hiring, compensation and classification of staff positions. The Act specifies that *The Civil Service Superannuation Act* does not apply to the Auditor General (except for sections 42 and 43 which prohibit *"improper solicitation of the Commission"* or any *"attempt improperly to influence*

the Commission") thereby avoiding a loss of independence for the Office as a whole. Nonetheless, the requirement to follow CSC and TBS policies, while also being their auditor, still has the potential to create a difficult environment that challenges our independence. In addition, many of our staff belong to the Manitoba Government Employees' Union, thus complicating our relationship with the CSC and the TBS.

The requirement that we procure services from government organizations also creates the potential for a difficult environment. During 2008/09, Manitoba Infrastructure and Transportation (MIT) negotiated and entered into a lease agreement on our behalf. Thus, on the one hand, MIT is our service provider, and on the other hand, we are their external auditor.

To minimize these risks to our independence we strive to maintain positive and professional working relationships with all government organizations. We will, nevertheless, continue to pursue more effective structural solutions.

Credibility

Our reputation is critical to our success. Therefore we must avoid the risk of providing inappropriate or inaccurate assurance and advice. We strive to do this by using best practices in legislative auditing, including strong quality control practices.

Relevance of Work

In order for our work to be beneficial to our clients, we must ensure that our reports are meaningful to them. We do this by ensuring our audits deal with significant public sector issues.

Through on-going environmental scans, we are able to remain current on areas of strategic importance for our audit work. For instance, we maintain contact with Members of the Legislature and government officials; we hold discussions with members of the Public Accounts Committee; monitor Hansard and media reports; maintain contact with our colleagues in other jurisdictions and various professional associations in which we hold memberships.

Resources and Competencies

The quality of our assurance and advice is dependent on the knowledge, skills and ability of our employees. To be successful we need to be able to recruit and retain high quality professionals. We do this by providing a work environment that supports on-going opportunities for our staff to further develop their skills and by supporting a proper work-life balance.

It is an Office priority to continue strengthening our in-house capacity in the areas of information technology and VFM audits. Staffing efforts have, and continue to, emphasize this.

3.0 Our Audit Activities and Outputs

Our audit activities include financial statement, value-for-money, and special audits. Our output takes a variety of forms including: audit opinions, audit advice, management letters, and reports to the Legislature. In addition, we make a wide variety of presentations on our work to government organizations and at conferences, symposiums, and workshops.

Beyond providing observations and recommendations, our reports identify good management practices and learnings that are of general relevance to public sector organizations – see **Appendix C** for a listing of reports by subject area.

Allocation of Audit Time

Audit Time Allocations		
	2008/09	***2007/08***
Financial Statement and related Information Technology Audits	60%	68%
Value-For-Money Audits	27%	18%
Special Audits	13%	14%
Total	100%	100%

The addition of 3 new staff members on the VFM team helped realign our audit time allocation closer to our goal of 50% for VFM and Special Audits combined. For the year ended March 31, 2009, the total audit time allocated to VFM and Special Audits was 40% (2008 - 32%).

the Commission") thereby avoiding a loss of independence for the Office as a whole. Nonetheless, the requirement to follow CSC and TBS policies, while also being their auditor, still has the potential to create a difficult environment that challenges our independence. In addition, many of our staff belong to the Manitoba Government Employees' Union, thus complicating our relationship with the CSC and the TBS.

The requirement that we procure services from government organizations also creates the potential for a difficult environment. During 2008/09, Manitoba Infrastructure and Transportation (MIT) negotiated and entered into a lease agreement on our behalf. Thus, on the one hand, MIT is our service provider, and on the other hand, we are their external auditor.

To minimize these risks to our independence we strive to maintain positive and professional working relationships with all government organizations. We will, nevertheless, continue to pursue more effective structural solutions.

Credibility

Our reputation is critical to our success. Therefore we must avoid the risk of providing inappropriate or inaccurate assurance and advice. We strive to do this by using best practices in legislative auditing, including strong quality control practices.

Relevance of Work

In order for our work to be beneficial to our clients, we must ensure that our reports are meaningful to them. We do this by ensuring our audits deal with significant public sector issues.

Through on-going environmental scans, we are able to remain current on areas of strategic importance for our audit work. For instance, we maintain contact with Members of the Legislature and government officials; we hold discussions with members of the Public Accounts Committee; monitor Hansard and media reports; maintain contact with our colleagues in other jurisdictions and various professional associations in which we hold memberships.

Resources and Competencies

The quality of our assurance and advice is dependent on the knowledge, skills and ability of our employees. To be successful we need to be able to recruit and retain high quality professionals. We do this by providing a work environment that supports on-going opportunities for our staff to further develop their skills and by supporting a proper work-life balance.

It is an Office priority to continue strengthening our in-house capacity in the areas of information technology and VFM audits. Staffing efforts have, and continue to, emphasize this.

3.0 Our Audit Activities and Outputs

Our audit activities include financial statement, value-for-money, and special audits. Our output takes a variety of forms including: audit opinions, audit advice, management letters, and reports to the Legislature. In addition, we make a wide variety of presentations on our work to government organizations and at conferences, symposiums, and workshops.

Beyond providing observations and recommendations, our reports identify good management practices and learnings that are of general relevance to public sector organizations – see **Appendix C** for a listing of reports by subject area.

Allocation of Audit Time

Audit Time Allocations		
	2008/09	*2007/08*
Financial Statement and related Information Technology Audits	60%	68%
Value-For-Money Audits	27%	18%
Special Audits	13%	14%
Total	100%	100%

The addition of 3 new staff members on the VFM team helped realign our audit time allocation closer to our goal of 50% for VFM and Special Audits combined. For the year ended March 31, 2009, the total audit time allocated to VFM and Special Audits was 40% (2008 - 32%).

Linking Our Objectives to Our Results

Our Objectives	Our Strategies	How we Monitor our Performance
That our work adds value to the management systems and practices of government organizations. The our work provides MLAs with relevant information.	1. Providing the Legislative Assembly and government organizations with audit products that meet professional standards while being clear and easy to understand.	• Through our quality control process. **(Section 5.0)** • Through our post audit survey. **(Section 5.0)** • Through ongoing discussions with Members of the Legislative Assembly.
	2. Providing fair and balanced audit conclusions.	
	3. Providing proactive advice and maintaining constructive client/audit entity relations.	

Strategy No. 1:	To provide the Legislative Assembly and government organizations with audit products that meet professional standards while being clear and easy to understand.

Financial Statement Audits

Strong financial stewardship by government organizations is critical. One of the central ways in which we support financial accountability is through the annual audit opinions we provide on the financial statements of government organizations and the Public Accounts of the Province. We promote transparency, as well as fair and accurate representation in public sector budgets and financial reporting.

Financial statement audit activities include:

- undertaking the necessary examinations to be able to provide audit opinions on annual financial statements, special reports, and public sector compensation disclosures as well as management letters with recommendations on financial management, internal control, compliance, or general operations;

- conducting overviews of government entities, which may also encompass file reviews of the work conducted by private sector auditors. (This work is necessary for our reliance on the work of the private sector firms for consolidation of their clients' financial statements into the Summary Financial Statements for the Province);
- undertaking special reports on financial information, including claims;
- reviewing compliance with legislation to the extent required for the issuance of financial statement opinions;
- working in partnership with the private sector audit firms that we have retained as our agents to provide some of our financial statement attest audits; and
- reporting to the Legislature about the examinations and audits under Section 9 of the Auditor General Act, including anything resulting from the work that we consider should be brought to the Assembly's attention.

Highlights of Output in 2008/09

- Provided attest audit opinions or overviews to 100 government organizations. (See **Appendix B** for attest audits conducted by the Auditor General's office and attest audits conducted by private sector accounting firms with overviews by the Office of the Auditor General).
- Issued audit opinions on the Public Accounts of Manitoba in accordance with the statutory deadline and issued the Audit of the Public Accounts report to the Members of the Legislative Assembly in December 2008, released publicly in January 2009.
- Issued management letters to our attest audit clients as required.
- Provided feedback on audit plans, draft financial statements, and management letters prepared by private sector auditors during the course of their work on financial statement audits of government entities.

Value-for-Money Audits

Value-for-money auditing examines programs and services in order to identify the level of performance achieved and opportunities for improving operations and ultimately results. In carrying out value-for-money audits, we examine management practices, operating systems, processes, and control mechanisms. Some of our value-for-money audits are cross-government – i.e., examinations of a given topic of strategic importance across departments or across other types of government organizations (e.g., Crown Corporations).

Linking Our Objectives to Our Results

Our Objectives	*Our Strategies*	*How we Monitor our Performance*
That our work adds value to the management systems and practices of government organizations. The our work provides MLAs with relevant information.	1. Providing the Legislative Assembly and government organizations with audit products that meet professional standards while being clear and easy to understand.	• Through our quality control process. **(Section 5.0)** • Through our post audit survey. **(Section 5.0)** • Through ongoing discussions with Members of the Legislative Assembly.
	2. Providing fair and balanced audit conclusions.	
	3. Providing proactive advice and maintaining constructive client/audit entity relations.	

Strategy No. 1:	To provide the Legislative Assembly and government organizations with audit products that meet professional standards while being clear and easy to understand.

Financial Statement Audits

Strong financial stewardship by government organizations is critical. One of the central ways in which we support financial accountability is through the annual audit opinions we provide on the financial statements of government organizations and the Public Accounts of the Province. We promote transparency, as well as fair and accurate representation in public sector budgets and financial reporting.

Financial statement audit activities include:

- undertaking the necessary examinations to be able to provide audit opinions on annual financial statements, special reports, and public sector compensation disclosures as well as management letters with recommendations on financial management, internal control, compliance, or general operations;

- conducting overviews of government entities, which may also encompass file reviews of the work conducted by private sector auditors. (This work is necessary for our reliance on the work of the private sector firms for consolidation of their clients' financial statements into the Summary Financial Statements for the Province);
- undertaking special reports on financial information, including claims;
- reviewing compliance with legislation to the extent required for the issuance of financial statement opinions;
- working in partnership with the private sector audit firms that we have retained as our agents to provide some of our financial statement attest audits; and
- reporting to the Legislature about the examinations and audits under Section 9 of the Auditor General Act, including anything resulting from the work that we consider should be brought to the Assembly's attention.

Highlights of Output in 2008/09

- Provided attest audit opinions or overviews to 100 government organizations. (See **Appendix B** for attest audits conducted by the Auditor General's office and attest audits conducted by private sector accounting firms with overviews by the Office of the Auditor General).
- Issued audit opinions on the Public Accounts of Manitoba in accordance with the statutory deadline and issued the Audit of the Public Accounts report to the Members of the Legislative Assembly in December 2008, released publicly in January 2009.
- Issued management letters to our attest audit clients as required.
- Provided feedback on audit plans, draft financial statements, and management letters prepared by private sector auditors during the course of their work on financial statement audits of government entities.

Value-for-Money Audits

Value-for-money auditing examines programs and services in order to identify the level of performance achieved and opportunities for improving operations and ultimately results. In carrying out value-for-money audits, we examine management practices, operating systems, processes, and control mechanisms. Some of our value-for-money audits are cross-government – i.e., examinations of a given topic of strategic importance across departments or across other types of government organizations (e.g., Crown Corporations).

Highlights of Output in 2008/09

December 2008	Employment and Income Assistance Program	The audit examined the Department's processes for ensuring that only eligible applicants receive income assistance and that eligible individuals are paid the correct amounts. The audit also examined the employment enhancement referral and monitoring processes and the income assistance rate setting process.
	Monitoring Compliance with the Ambulance Services Act	The audit examined the Department's processes for administering the provisions of the Act related to licensing, inspection and the minimum specifications for equipment.
	Pharmacare Program – Part 2	The audit examined the Department's processes for assessing the eligibility of applicants, for calculating the insured person's deductible, for ensuring pharmacy compliance with The Prescription Drugs Cost Assistance Act and The Pharmaceutical Act, and for ensuring only accurate and valid claims were paid.
	Compliance with Oil and Gas Legislation	The audit examined whether the Department managed oil and gas resources in compliance with The Oil and Gas Act, whether permitting and licensing requirements and monitoring powers were complied with, and whether the appropriate amount of taxes and royalties were assessed and paid on oil and gas production.
March 2009	Follow-up of Previously Issued Recommendations	The follow-up provided status updates for 627 recommendations from 33 reports issued from 1997 to 2005.

Special Audits

We refer to certain of our audits as "Special Audits" when they are conducted under Section 16 of our Act, or when they result from the follow-up of allegations brought to our attention. The special audit team are experienced forensic accountants who also rely on the assistance of external consultants where necessary.

Audits Conducted Under Section 16 of The Auditor General Act

Section 16 of our Act enables us to respond to requests from the Minister of Finance, the Lieutenant Governor in Council, or the Standing Committee on Public Accounts to undertake audit work if we determine that the work would not interfere with the primary responsibilities of the Auditor General. We were not requested to conduct any audits under Section 16 of the Act during the year ended March 31, 2009.

Allegations

Allegations are brought to our attention throughout the year. During 2008/09 we received 25 allegations. We conducted preliminary examinations of all such matters in order to determine which ones were within our mandate. For all allegations within our authority, we conducted a risk assessment to determine the timing, nature and scope of the audit work required. Any audits we decide to conduct are listed in our planned activities.

Under the The Public Interest Disclosure (Whistleblower Protection) Act, when the Ombudsman determines that a matter brought to his or her attention is more appropriately followed up by our Office, the whistleblower complaint is forwarded to us. The Act indicates that our work is to be conducted in accordance with The Auditor General Act. As such, we take these complaints into consideration when deciding on our upcoming planned activities and conduct our audits into these matters in the same manner as we conduct VFM or Special Audits, depending on our assessment of the nature of the audit. One whistleblower complaint was forwarded to our Office by the Ombudsman in April 2009.

Activities for 2008/09

While no reports were issued by the Special Audit group in 2008/09, work was undertaken on a number of audits described in the next section of this report.

Our Planned Activities for 2009/10

The following list includes audits and reviews which may be nearing completion, others which are in the planning stage, and those which we anticipate starting before the end of the 2009/10 fiscal year. We have not indicated the stage of completion, as we consider everything as "in progress" until such time as our work is reported publicly.

The Auditor General Act requires that a report about the examinations and audits conducted be made at least once in each year. The Act also permits a special report to the Assembly on any matter of pressing importance or urgency that should not be deferred until the annual report is presented. We plan to issue our annual audit report in November as it is the usual timeframe for a fall sitting of the Legislature. Also, the various chapters in a single report will provide the Public Accounts Committee with a full list of audits to be scheduled. We will issue individual reports as "special reports" to the Assembly, if necessary. As such, we plan to issue our *Review of Board Governance in the Public Sector* prior to November to provide an extensive number of Crown corporation board members with the results of our survey for their immediate consideration.

We plan to conduct the following audits and reviews during 2009/10:

Assessment Services Branch - Branch processes for ensuring fair and reliable property assessments under *The Municipal Assessment Act.*

Climate Change - The Province's framework for measuring progress towards it's climate change goals.

Department of Education, Citizenship & Youth - The Special Needs Program delivered through the public school system, as directed by the Department.

Department of Finance - Taxation collection and taxation audit processes in the Taxation Division.

Food Safety - The controls in place to protect the public in areas of food safety.

Forks North Portage - The Province's role in managing Forks North Portage.

Grant Accountability - Processes in place in select departments to monitor and evaluate grants.

Information Technology - The governance framework for managing information technology within the Provincial public sector.

Investment Risk Management - The management of investments on behalf of Provincial employees (pension plans) as well as by public sector organizations and the Department of Finance.

Manitoba Development Corporation - Processes in place to ensure that loans under the Manitoba Industrial Opportunities Program and investments under the Venture Capital Program are provided on an appropriate basis.

Manitoba Hydro – The management practices in place at Manitoba Hydro to identify, measure and monitor risk effectively throughout the organization.

Manitoba Public Insurance (MPI) - The processes in place at MPI to manage bodily injury claims.

Ministerial and Senior Staff Expense Accounts - Expense account claims paid to Ministers and senior staff of departments as permitted by the *General Manual of Administration.*

MLA Allowance Claims - Claims paid to MLAs, as permitted by the *Members' Allowances Regulation.*

Personal Care Homes - The processes in place to ensure a consistent and appropriate quality of care delivered in a timely manner to individuals requiring admission to a personal care home, as well as the financial and operational accountability framework for personal care homes.

Provincial Nominee Program - The Province's Provincial Nominee Program as managed by the Department of Competitiveness, Training and Trade, including the effectiveness of controls in place by the Province to protect immigrants sponsored under the Program.

Public Accounts - The annual financial statement attest audits of the Public Accounts and other mandated public sector organizations, and related work.

Public Sector Compensation Legislation - The processes for administrating *The Public Sector Compensation Disclosure Act* and related disclosure.

Review of Board Governance in the Public Sector - Current board governance practices and challenges ten years after a board governance survey of Manitoba crown corporations, and what has changed in public sector board governance.

Society for Manitobans with Disabilities (SMD) - Whether provincial funding to SMD is being spent in a manner consistent with the service purchase agreement between the Province and SMD.

Treaty Land Entitlement - The processes in place to ensure adequate ongoing progress to fulfill the Province's obligations under the Treaty Land Entitlement Framework Agreement.

Winnipeg Regional Health Authority Tendering Practices - The WRHA tendering practices, primarily as a result of concerns raised in the media around "value-adds".

Wireless Security - The controls in place to protect the Province from inappropriate access to wireless users' data.

Follow-Up Report on Previously Issued Audit Recommendations

As a result of our audit work, we develop recommendations for management. To determine whether our recommendations have been implemented requires follow-up work.

Typically we follow-up on the status of recommendations included in our performance audit reports and special audit reports within three years of issuing the report and annually thereafter.

We track the implementation status of our recommendations by requesting progress reports from the audited entities. We review the progress reports submitted by audited entities for plausibility and summarize the implementation status.

In March 2009 we tabled our Follow-up Report. We summarized the status of 623 recommendations remaining to be addressed included in 33 reports issued between 1998 and 2005. We noted that 453 (72%) of these recommendations were reported as being implemented/resolved as at June 30, 2008.

Strategy No. 2: To provide fair and balanced audit conclusions.

Our Value-for-Money Auditing and Reporting Process

Essential to our ability to make fair and balanced audit conclusions is our understanding of the subject of our examination. Some of our audits involve complex subjects which may also be quite technical in nature. When necessary, we supplement our knowledge of business by obtaining external expertise.

To help ensure the completeness and accuracy of the work we undertake and the fairness of our reporting on it, staff from our Office maintain ongoing communication with senior management throughout the audit process. When we undertake a value-for-money audit, we provide the entity that we are auditing with an opportunity to advise us of areas of concern for inclusion in our audit and to give us feedback on proposed audit criteria. We discuss with senior management and staff potential audit issues as they arise. Prior to preparing an audit report we meet with senior management to discuss key findings, conclusions and recommendations. Moreover, senior management and any person named in our reports are given an opportunity to review our draft report and to submit written comments on our recommendations; these comments are considered for inclusion in our final report.

Prior to issuing a report, we are required by legislation to provide a copy of it to the Minister responsible for the program area that was audited as well as the Minister of Finance with a 14 day notice that we will be releasing the report. Final reports of the Office are submitted to the Speaker for tabling with the Legislative Assembly. Each report is automatically referred to the Standing Committee on Public Accounts.

Strategy No. 3:	To provide proactive advice and maintain constructive relations with our client and audit entities.

Apart from undertaking audits, we believe that another important way for us to meet our objective of adding value is through timely advice that can assist and support government organizations to prevent problems from occurring. We undertake this role in a variety of ways. Throughout the year, we responded to requests for advice on various issues from government organizations including: financial reporting, accountability, and board governance. We also seconded a senior member of our staff to a central government initiative to help facilitate the modernization of the comptrollership function government wide.

We believe that taking active steps to foster constructive relations with our client and audit entities is essential to our ability to add value through our work. The Auditor General therefore holds regular meetings with our client (members of the Legislative Assembly) and monitors their proceedings in the House in order to stay current on matters of significance and risk.

In addition, we strive to maintain open and transparent communication with officials throughout the audit. To that end, our audit processes are structured to provide the audited organization with on-going communication and feedback. We monitor our performance by using post audit surveys.

4.0 How We Carry Out Our Work

This section briefly describes key aspects of how we operate in order to be able to generate independent assurance and advice pursuant to our mandate and to deliver the products identified in **Section 3.0**. In carrying out our work, we are guided by a set of operating principles as follows:

Operating Principles

Independence

We conduct our work in an objective and unbiased manner.

Balanced Perspective

We put forth well considered and fair conclusions based on analysis of all opinions and where appropriate, reporting on strengths as well as weaknesses.

Teamwork

We work together cooperatively and in a coordinated manner to achieve a common goal.

Accountability

We are accountable for our individual contributions to the products and services provided by the Office.

Value-Added Work

We provide the Legislative Assembly with value-added reports.

Professional Conduct

In carrying out our work, we adhere to the Office values of: respect, honesty, integrity, and openness.

Professional Excellence

We maintain sound audit methodology and meet the professional standards and competency requirements of our Office.

Financial Stewardship

We use taxpayers' money efficiently and effectively.

Linking Our Objectives to Our Results

Our Objective	Our Strategies	How We Monitor Our Performance
That we manage our internal business effectively.	• Sustaining our professional capacity and being an employer of choice.	• Tracking the amount of time allocated to professional development and training. **(Section 5.0)** • The employee satisfaction survey; last conducted in 2007/08. • Number of student accountants who pass the final exam for chartered accountants. **(Section 5.0)** • Our quality control process (which includes our Operating Principles). **(Section 5.0)**
	• Implementing leading administrative practices suitable for a legislative audit office.	• On-going environmental scans of new/emerging government of Manitoba policies/practices (e.g. competency based hiring and staff performance evaluation; sustainable development), and through discussions with our colleagues in other jurisdictions and various professional associations in which we hold a membership.
	• Exercising appropriate financial stewardship over the funding allocated to us by the Legislative Assembly Management Committee.	• Financial Accountability. **(Section 6.0)**

4.0 How We Carry Out Our Work

This section briefly describes key aspects of how we operate in order to be able to generate independent assurance and advice pursuant to our mandate and to deliver the products identified in **Section 3.0**. In carrying out our work, we are guided by a set of operating principles as follows:

Operating Principles

Independence

We conduct our work in an objective and unbiased manner.

Balanced Perspective

We put forth well considered and fair conclusions based on analysis of all opinions and where appropriate, reporting on strengths as well as weaknesses.

Teamwork

We work together cooperatively and in a coordinated manner to achieve a common goal.

Accountability

We are accountable for our individual contributions to the products and services provided by the Office.

Value-Added Work

We provide the Legislative Assembly with value-added reports.

Professional Conduct

In carrying out our work, we adhere to the Office values of: respect, honesty, integrity, and openness.

Professional Excellence

We maintain sound audit methodology and meet the professional standards and competency requirements of our Office.

Financial Stewardship

We use taxpayers' money efficiently and effectively.

Linking Our Objectives to Our Results

Our Objective	*Our Strategies*	*How We Monitor Our Performance*
That we manage our internal business effectively.	• Sustaining our professional capacity and being an employer of choice.	• Tracking the amount of time allocated to professional development and training. **(Section 5.0)** • The employee satisfaction survey; last conducted in 2007/08. • Number of student accountants who pass the final exam for chartered accountants. **(Section 5.0)** • Our quality control process (which includes our Operating Principles). **(Section 5.0)**
	• Implementing leading administrative practices suitable for a legislative audit office.	• On-going environmental scans of new/emerging government of Manitoba policies/practices (e.g. competency based hiring and staff performance evaluation; sustainable development), and through discussions with our colleagues in other jurisdictions and various professional associations in which we hold a membership.
	• Exercising appropriate financial stewardship over the funding allocated to us by the Legislative Assembly Management Committee.	• Financial Accountability. **(Section 6.0)**

Strategy No. 1: Sustaining our professional capacity and being an employer of choice.

Professional Standards

The Canadian Institute of Chartered Accountants (CICA) will be adopting International Standards on Auditing. These will come into effect in Canada for audits of financial statements with periods beginning on or after December 15, 2009.

As well, effective for periods beginning on or after January 1, 2011, financial statements of publicly accountable enterprises in Canada will have to follow International Financial Reporting Standards (IFRS). This will result in different sets of generally accepted accounting principles in Canada:

- the Public Sector Accounting Board standards for the public accounts;
- the IFRS for publicly accountable enterprises (includes government business enterprises and government business type organizations);
- Generally Accepted Accounting Principles (GAAP) for non-profit organizations;
- GAAP for pension plans; and
- a basis yet to be determined for profit enterprises that are not publicly accountable.

Over the coming years we will be preparing for the changing standards by determining how the changes in auditing standards are going to affect the way we conduct audits and the impact of the changes in financial reporting standards on the financial statements of the government organizations we audit. We will also be training our staff, and ensuring that our audit methodologies meet the requirements of the new standards.

Professional Development

Generally accepted auditing standards require that staff conducting audits have adequate technical training and proficiency in auditing. On an annual basis, staff are exposed to a wide variety of training opportunities some of which are provided in-house. In other cases, staff pursue individual training through seminars or short courses offered through external sources. We also invite guest speakers throughout the year to provide presentations on topics that help to maintain the knowledge of our staff about emerging issues within government organizations.

We also support individual staff members in the pursuit of specialist audit training applicable to the legislative audit environment including designations in the following:

- Information Technology Audit Specialist;
- Certified Fraud Examiner/Investigative and Forensic Accountant; and
- Certified Internal Auditor.

Our Designation as an Articling Office

The Office is approved by the Institute of Chartered Accountants of Manitoba as a training office and supports articling students in their pursuit of the Chartered Accountant (CA) designation. In 2008/09, we employed 8 full-time articling students.

Competency Model

Competencies are those characteristics and behaviours that underlie performance on the job. Our Office's competency model is primarily based on the model developed by the Civil Service Commission of Manitoba with some adaptations to suit our context. Our model groups the competencies that our staff must meet into 7 categories:

- Leadership,
- Professional/Technical,
- Reasoning/Judgment,
- Managing for Results,
- Communicating Ideas, Findings, and Conclusions,
- Relationship Building, and
- Personal Effectiveness.

In 2008/09 we redesigned our performance management system to be competency based.

CCOLA

The Office is a member of the Canadian Council of Legislative Auditors (CCOLA), which consists of the Auditors General from each jurisdiction across Canada. We meet twice a year to discuss emerging issues and share practices in carrying out our mandate as legislative auditors. CCOLA has established several working committees. Our staff are represented on these committees. Participation on CCOLA and its committees is of collective benefit to the legislative audit community by giving us access to each others' knowledge, information, and expertise. The CCOLA committees that we participated on in 2008/09 are:

- The Strategic Issues Group;
- The Human Resources Network;
- Health Study Group;
- The Peer Review Committee;
- The Training Oversight Group;
- The Information Technology Committee; and
- The Governance Study Group.

The Provincial Auditors General entered into a memorandum of understanding with the Office of the Auditor General of Canada to benefit from the services of a National Professional Practices Group (NPPG). The NPPG will provide us with technical accounting and auditing advisory services and training support, on an as-needed basis.

Twinning Project - National Audit Office of Kenya

The CCAF (Canadian Comprehensive Auditing Foundation) with financial support from CIDA (Canadian Industrial Development Agency) have developed an international program "twinning" Canadian Auditors General with their international counterparts to assist in international development. The CCAF has managed a complementary program for over 20 years which trains international auditors in VFM auditing practices. Manitoba was so twinned with the National Audit Office of Kenya (NAO) in 2008.

In October of 2008, our Office hosted a delegation from the NAO and the CCAF who visited Manitoba to share audit methodology, discuss audit challenges in our respective jurisdictions and explore solutions. The delegation met with officials from our Office, from Government and with members of the Public Accounts Committee during their week-long visit.

In March, 2009, the Auditor General joined representatives from CCAF to visit the NAO and then to attend VFM audit training for African auditors in Tanzania. The meetings in Kenya included discussions with officials of the NAO, with staff and officials of the Kenyan government, with elected officials on the Public Accounts and Public Investment Committees of Parliament as well as with the Canadian High Commissioner and with Canadian and American officials working in Nairobi.

As a result of these meetings, a plan will be developed which will provide staff of our Office and the NAO with the opportunity to work together to increase the effectiveness of our respective audit offices.

Strategy No. 2:	**Implementing leading administrative practices suitable for a legislative audit office.**

Office Support Functions

The Office's administrative services provide a wide range of functions to help us carry out our mandate including:

- in-house formatting and printing of our reports;
- providing our staff with computer services, including co-ordination of our website upgrades;
- safeguarding our Office assets including information;
- updating when necessary our Office policies and procedures;
- preparing our annual budget, financial statements, monthly statements with variance explanations and other comptrollership responsibilities; and
- providing human resource management support.

Sustainable Development

In the spring of 2000, the Government of Manitoba committed to implementing sustainable development guidelines for operations of all departments, entities and related corporations. Our Office established a Sustainable Development Committee to review the guidelines and prepare an action plan. We submitted the action plan to Government Services in September 2002 and effective April 1, 2003 our Office began working toward the achievement of the action plan.

On an on-going basis, we contribute to sustainable development through the following initiatives:

- shredding and recycling of paper products;
- using recycled paper;
- reducing the number of paper copies of our audit reports by issuing CDs of our reports and making them available on our website;
- using an electronic auditing software program in part to help reduce paper and printer usage; and
- promoting the acceptance of sustainable development principles in government departments and agencies through the performance of compliance and environmental audits.

Strategy No. 3:	**Exercising appropriate financial stewardship over the funding allocated to us by the Legislative Assembly Management Commission.**

We adhere to professional accounting standards and are transparent in our budgeting and financial reporting. **Section 6.0,** Financial Accountability, contains our audited financial statements and a discussion of financial results.

5.0 Our Performance

Post Audit Survey

At the conclusion of our financial statement audits, we forward a survey to the audit committee and senior management requesting feedback on our performance and suggestions for improvement. As part of the survey, we ask the client to provide us with an overall assessment of whether they were satisfied with the delivery of our services, the skills and knowledge of the audit team, the value added to their organization and our performance. The assessment is done using a numerical scale with "1" being very poor, "3" average, and "5" excellent.

During 2008/09, we sent out 27 surveys and received 16 completed responses (40% response rate). The average overall client assessment of our Office was approximately "4". This indicates that the clients believe we provide good financial statement audit services. We recognize there is always room for improvement.

Quality Control

As legislative auditors, we must exercise significant professional judgment in carrying out our work and reporting our findings and opinions. For this reason, we have in place a quality control process designed to provide us with reasonable assurance that:

- we are complying with professional standards, regulatory and legal requirements and internal policies; and
- the opinions and reports issued are appropriate in the circumstances.

Key elements of our quality control system include maintaining:

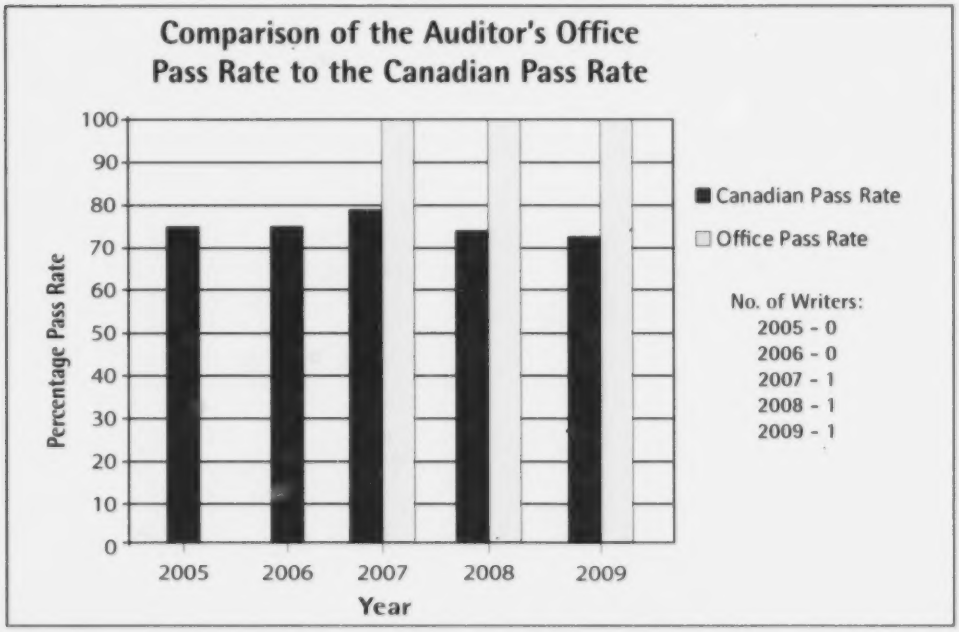
- qualified staff;
- adequate supervision and review throughout the audit process;
- an internal challenge process to ensure that our work is fair, balanced, meets professional standards, and produces appropriate audit reports and practical recommendations; and
- an independent quality review of files and reports for all assurance service areas in our office.

The Institute of Chartered Accountants of Manitoba (ICAM) routinely conducts inspections of audit firms involved in the practice of public accounting as defined in the General Provisions of the ICAM By-laws. Although we are not an audit firm and as such are not required to undergo an inspection, we voluntarily participate in this process. In April 2009, ICAM conducted an inspection of the Office's financial statement auditing practice and concluded that we are operating in a manner consistent with professional standards. The next inspection is scheduled for 2012. As well, we participate in peer reviews facilitated by the Canadian Conference of Legislative Audit Offices (CCOLA). In May 2009 a peer review was conducted on a 2007/08 financial statement audit. This review also indicated that the audit was conducted in a manner consistent with professional standards.

Exam Pass Rates for Student Accountants

We are a training office for students who want to become professional accountants. One of our measures of success is the number of employees who pass the uniform final examinations (UFE) to become Chartered Accountants. The table below shows that the pass rate for our student accountants exceeds the national pass rate in each year that we had students writing the exam.

Figure 1



Professional Development and Training

Time and expenditures spent on professional development and training are depicted in the graphs below.

Figure 2

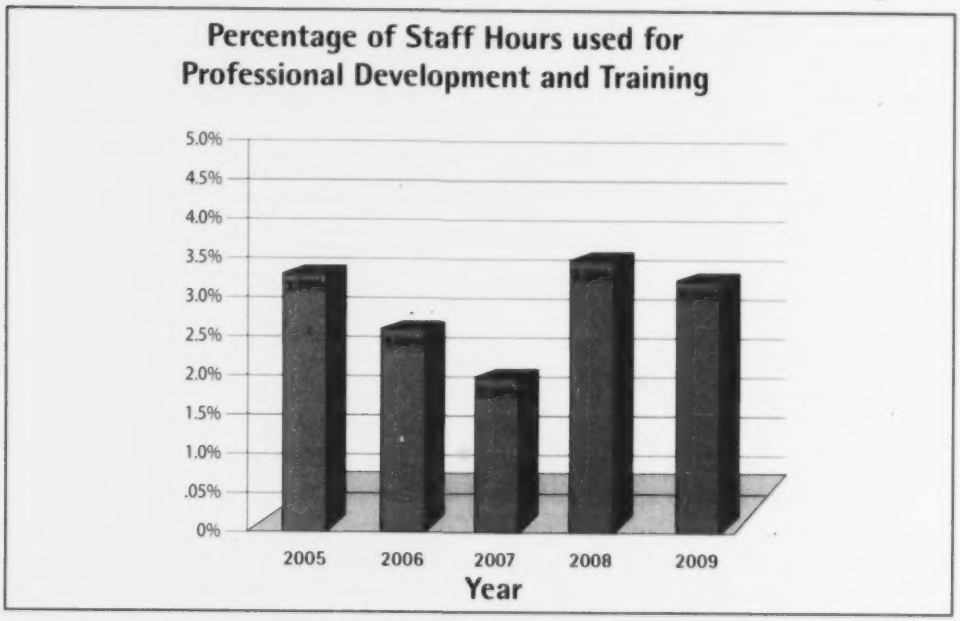
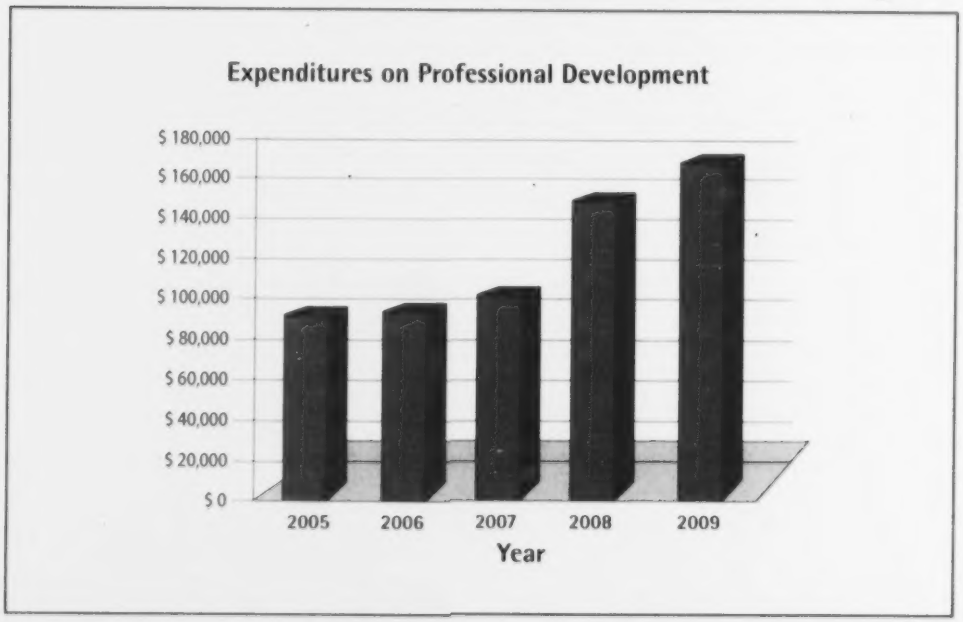


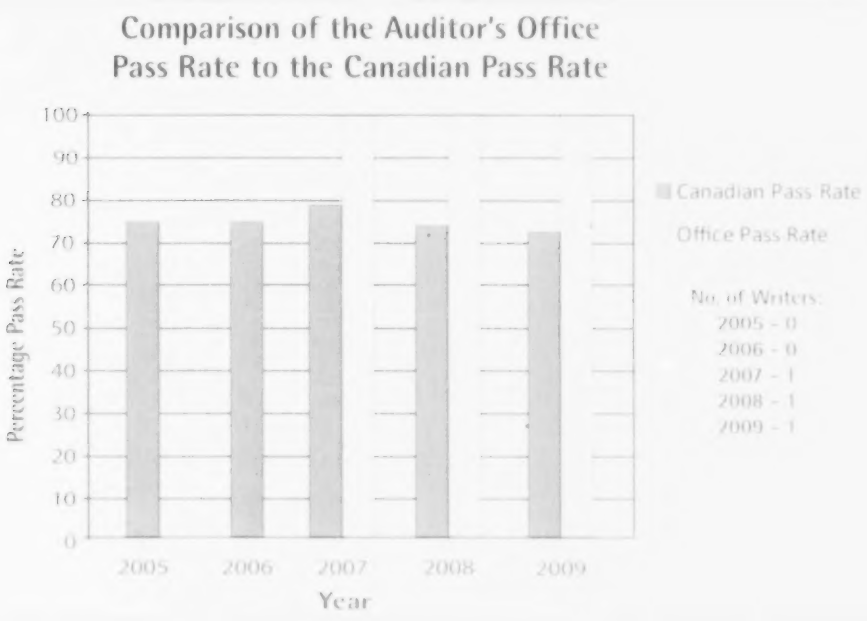
Figure 3



Exam Pass Rates for Student Accountants

We are a training office for students who want to become professional accountants. One of our measures of success is the number of employees who pass the uniform final examinations (UFE) to become Chartered Accountants. The table below shows that the pass rate for our student accountants exceeds the national pass rate in each year that we had students writing the exam.

Figure 1



Professional Development and Training

Time and expenditures spent on professional development and training are depicted in the graphs below.

Figure 2

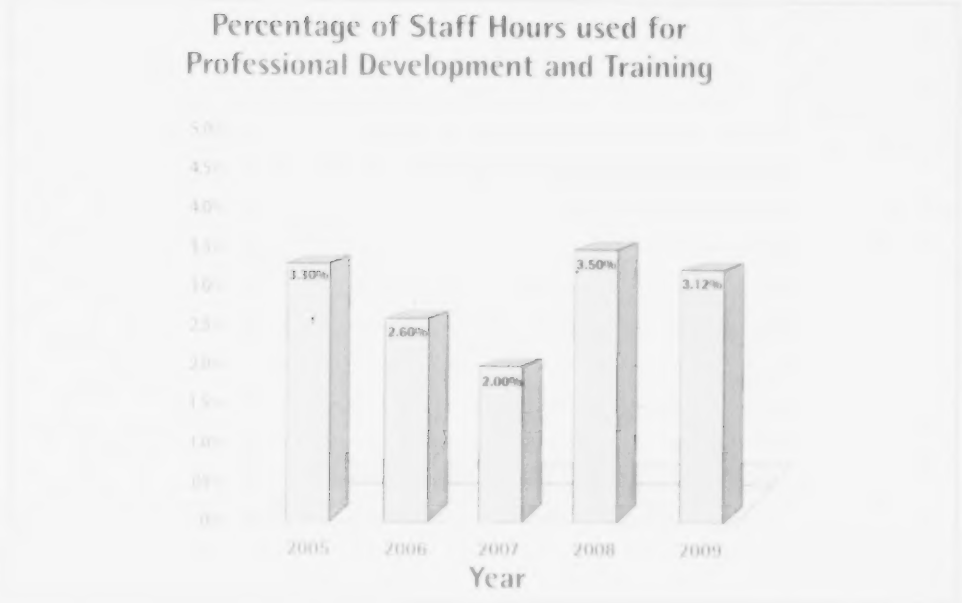


Figure 3

The nature of the professional development and training provided to staff varies from year to year. In 2008/09, the Office continued to make a significant investment in the development of its chartered accountancy students, and in providing opportunities for its staff to attend courses, seminars, workshops and conferences on varied topics including: value-for-money auditing, investigative and interviewing techniques, International Financial Reporting Standards, information technology and general management practices.

6.0 Financial Accountability

This section provides an analysis of our expenditures and explanations of any significant variances from the previous year's expenditures.

The audited financial statements for the Office are presented at the end of this section.

Our Budget Process

As per Section 27(3) of The Auditor General Act, the Office receives funding from the Legislative Assembly appropriations. The Auditor General annually presents to the Legislative Assembly Management Commission (LAMC) an estimate of the amount of money that will be required for the purpose of conducting the work of the Office for the forthcoming year.

The Office maintains a bank account from which its operating expenses are paid. Advances are provided by the Province up to the amounts approved by LAMC.

Note 5 to the financial statements summarizes the approved funding for the past two years. In both years, the Office managed within its allocated funding and returned unexpended balances to the Consolidated Fund in accordance with Section 27(4) of *The Auditor General Act*.

Year's Operations

In 2008/09, operations differed from the previous year due to the following:

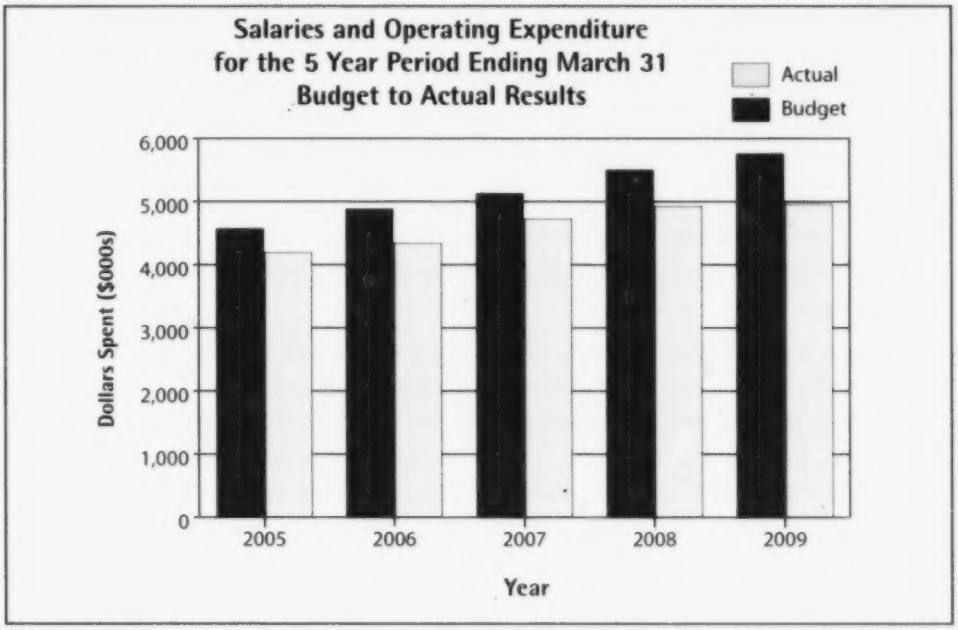
- Audit Revenue increased due to the timing of when audit work was conducted and related billings as well as a result of annual inflation adjustments and additional work required in response to economic uncertainty.
- Salaries and benefits have decreased by $1.4 million due to the impact of the $1.9 million actuarial gain which reduces our provision for pension benefits. This was offset by salary increases related to the filling of vacant positions and general cost of living increases.

- The increase in Professional Fees occurred primarily because of our continued use of professional advisory services to assist in rebuilding our information technology audit practice and to help prepare our staff, and certain of our clients, to better respond to rapidly evolving accounting and auditing standards. These increases were partially offset by a reduction in outsourced audit fees paid due to our decision to audit the Manitoba Housing and Renewal Corporation directly rather than through an agent.
- Professional Development expenses increased due to providing our staff with specialized training related to the technical infrastructure supporting the Province's management information system, other information technology training and costs for education support for additional chartered accountancy students.
- Office Administration expenses decreased in part because of our cost saving initiatives in the areas of report printing and telecommunications and because of the decreased need to utilize professional search firms to fill vacant positions.
- Unexpended funding went up from $578,000 to $742,000. In 2008,the unexpended funds related to vacancies which were not filled during the year. In 2009, there were less vacancies, however the budget was managed to set aside sufficient funds to complete approved office renovations. As a result of unexpected delays in the renovations, we were unable to spend these funds during 2009 and this activity will be taking place in the upcoming year.

Salaries and Operating Expenditures

The following chart reflects the budget to actual expenditures of the Office over the past five years. The slight increase in expenditures mainly reflects inflation and contractual salary adjustments. In 2008/09 we had approval for 53 full time equivalent staff.

Figure 4



Management's Responsibility for Financial Statements

The accompanying financial statements of the Office of the Auditor General for the year ended March 31, 2009 are the responsibility of management of the Office. Management has prepared the financial statements to comply with The Auditor General Act and with generally accepted accounting principles in Canada. The financial information presented elsewhere in this annual report is consistent with that in the financial statements.

To ensure the integrity and objectivity of the financial data, management maintains a comprehensive system of internal controls including an organizational structure that effectively segregates duties. These controls provide reasonable assurance that transactions are appropriately authorized, assets are adequately safeguarded and financial information is reliable and accurate.

The financial statements have been audited by the firm of Frostiak & Leslie Chartered Accountants Inc. Their report to the Members of the Legislative Assembly, stating the scope of their examination and opinion on the financial statements, is attached.

Carol Bellringer, FCA, MBA
Auditor General
June 8, 2009

Auditor's Report

FROSTIAK & LESLIE
Chartered Accountants Inc.
www.cafinancialgroup.com

CA.COM FINANCIAL GROUP

Larry H. Frostiak, FCA, CFP, TEP Kenneth T. Leslie, CA Myles L. Pouteau, CA, TEP, CAFA Angela D. Zarn, CA, CPA, CAFA

AUDITORS' REPORT

TO THE LEGISLATIVE ASSEMBLY OF MANITOBA

We have audited the balance sheet of the Office of the Auditor General of Manitoba as at March 31, 2009 and the statements of operations and net assets available and cash flows for the year then ended. These financial statements are the responsibility of the Office of the Auditor General. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Auditor General as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
June 8, 2009

Frostiak + Leslie
Chartered Accountants Inc.

Gimli
PO. Box 2070
Gimli, Manitoba
Canada R0C 1B0
Tel: 204.642.1433

Winnipeg
200 - 1700 Corydon Avenue
Winnipeg, Manitoba
Canada R3N 0K1
Tel: 204.487.4449 Fax: 204.488.8658

South Junction
PO. Box 69
South Junction, Manitoba
Canada R0A 1Y0
Tel: 204.433.2016

member www.taxspecialistgroup.ca

Financial Statements and Notes

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
STATEMENT OF FINANCIAL POSITION

As at March 31, 2009, with comparative figures for 2008 (000's)

	2009	2008
ASSETS		
Current assets		
Cash	$ 4	$ 12
Accounts receivable	65	100
Short-term receivable - Province of Manitoba	375	368
Prepaid expenses	145	298
Accrued revenue - audit fees	171	144
	760	922
Long-term receivable - Province of Manitoba (note 3)	9,430	10,959
Capital assets (note 4)	184	230
	$ 10,374	$ 12,111
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 38	$ 116
Accrued liabilities	21	16
Accrued vacation pay	375	368
	434	500
Provision for employee severance benefits (note 7)	492	458
Provision for employee pension benefits (note 6)	8,938	10,501
	9,430	10,959
Net assets available	510	652
Commitment (note 8)		
	$ 10,374	$ 12,111

See accompanying notes to financial statements.

Approved by the Office of the Auditor General of Manitoba

Original document signed by:
Carol Bellringer
Auditor General

Original document signed by:
Norman Ricard
Executive Director, Strategic Initiatives

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
STATEMENT OF OPERATIONS AND NET ASSETS AVAILABLE

Year ended March 31, 2009, with comparative figures for 2008 (000's)

	2009	2008
Revenue		
Province of Manitoba (note 5)	$ 5,360	$ 5,387
Audit fees	860	796
	6,220	6,183
Expenses		
Operating		
Salaries and benefits (note 6)	2,776	4,222
Professional fees	807	748
Professional development	173	149
Office rent	169	167
Office administration	147	202
Information technology	144	163
Memberships and publications	45	67
Printing	26	33
Travel	4	14
Interest and bank charges	1	2
	4,292	5,767
Amortization		
Capital assets	101	104
Write-down		
Long-term receivable - Province of Manitoba (note 3)	1,969	-
Total Expenses	6,362	5,871
Excess of expenses over revenue	(142)	312
Net assets available, beginning of year	652	340
Net assets available,end of year	$ 510	$ 652

See accompanying notes to financial statements.

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
STATEMENT OF CASH FLOWS

Year ended March 31, 2009, with comparative figures for 2008 (000's)

	2009	2008
Operating activities		
Excess of expenses over revenue	$ (142)	$ 312
Items not involving a current outlay of cash		
Amortization	101	104
Actuarial gain on pension obligation	(1,969)	-
Write-down of Long-term receivable - Province of Manitoba	1,969	-
	101	104
Net change in working capital balances		
Accounts receivable	35	35
Short-term receivable - Province of Manitoba	(7)	(15)
Prepaid expenses	153	(281)
Accrued revenue - audit fees	(27)	29
Accrued vacation pay	7	15
Accounts payable & accrued liabilities	(73)	23
Long-term receivable - Province of Manitoba	1,529	(556)
Provision for employee severance	34	(4)
Provision for employee pension	(1,563)	561
	88	(193)
Net increase in cash from operations	47	223
Investing activities		
Purchases of capital assets	(55)	(186)
Financing activities		
Repayments of capital lease obligations	-	(42)
Net decrease in cash	(8)	(5)
Cash, beginning of year	12	17
Cash, end of year	$ 4	$ 12

See accompanying notes to financial statements

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

1. NATURE OF OPERATIONS AND ECONOMIC DEPENDENCE

The Auditor General is appointed under The Auditor General Act (Chapter 39) as an officer of the Legislature. The Act provides for the establishment of the Office of the Auditor General of Manitoba (the Office) and sets out the authority and powers of the Auditor General, identifies the audit services to be provided, and establishes reporting responsibilities.

The Office is economically dependent on the Province of Manitoba. The annual estimates for the operations of the Office are approved by the Legislative Assembly Management Commission and are included in the Government's estimates which are voted through the Appropriation Act by the Legislative Assembly. The expenditures of the Office are reflected in the Public Accounts of the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Auditor General Act does not specify the financial reporting model to be used by the Office. To fully disclose the nature and extent of our operations, the Office began in 1997 to prepare its financial statements in accordance with Canadian generally accepted accounting principles. The financial statements reflect the following policies:

a) New accounting standards

The Accounting Standards Board (AcSB) issued Handbook Section 1535 Capital Disclosures which requires an entity to disclose its objectives, its policies and processes for managing capital, quantitative data about what is considered capital and whether the entity has complied with any capital requirements and consequences of non-compliance with such capital requirements. Section 1535 became effective for reporting periods beginning on or after October 1, 2007.

The AcSB issued two new standards relating to financial instruments. Section 3862 Financial Instruments - Disclosures, enhances the disclosure requirements of Section 3861 by placing an increased emphasis on disclosures about the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Both qualitative and quantitative information about exposures to risk arising from financial instruments including credit, interest rate, liquidity, currency and other price risks are required to be disclosed. Section 3863 Financial Instruments - Presentation, carries forward, unchanged, the presentation requirements of section 3861. The two sections became effective April 1, 2008.

b) Revenue from the Province of Manitoba (note 5 includes more detailed explanations)

Section 27(3) of the Auditor General Act states: "The money required for the purpose of this Act is to be paid out of the Consolidated Fund from money authorized by an Act of the Legislature."

As a result, Revenue from the Province of Manitoba is comprised of the following components:

i) Funding received from the Consolidated Fund to cover the operating costs of the Office.

ii) A reduction for certain recoveries.

iii) An amount equal to increases in future funding commitments from the Province of Manitoba for benefits earned by the Office's employees (pension, severance and vacation).

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

c) Revenue from audit fees

Section 23(b) of the Auditor General Act states: "The Auditor General may charge fees for services provided by the office on a basis approved by the Lieutenant Governor in Council." The Office is the financial statement auditor for a number of government entities. The Office charges a fee for this service. Audit fee revenue is recognized on the basis of the percentage of work completed. The amount reflected as accrued revenue is valued at its estimated billable amount.

d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incident to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

e) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. The more subjective of these are estimating the pension obligation and severance liability. Actual results could differ from those estimates.

f) Amortization

Capital assets are stated at cost and amortized using the straight line basis over the estimated useful life of the capital assets as follows:

Computer software licenses	the life of the license over 1 year
Computer hardware, software and computer equipment under capital lease	3 years
Furniture and fixtures	10 years

g) Employer's share of Employees' Pension Benefits

Employees of the Office are pensionable under the Civil Service Superannuation Act. The Office accrues a provision for the employer's share of employee pension benefits, including future cost of living adjustments, based on an actuarial valuation using the accrued benefit cost method and management's best estimates of salary escalation, retirement ages of employees and employee mortality. Actuarial gains or losses are recognized in the year they are incurred.

h) Vacation and Severance Benefits

Employees of the Office are entitled to vacation and severance benefits in accordance with the terms of the collective agreement. A liability is recorded for the value of vacation entitlements earned but not yet taken. A liability is also recorded for severance benefits earned. The liability is based on an actuarial valuation using the accrued benefit cost method and management's best estimates of salary escalation, retirement ages of employees and employee mortality. Actuarial gains or losses are recognized in the year they are incurred.

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

i) Financial Instruments

Canadian generally accepted accounting principles require that financial instruments be classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by the Office when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the Statement of Operations in the period in which the gain or loss occurs. The fair value of a financial instrument is the estimated amount that the Office would receive or pay to settle a financial instrument at the reporting date.

The financial instruments of the Office are classified and measured as follows:

Financial Asset/Liability	Category	Measurement
Cash	Held for trading	Fair value
Account receivable	Loans and receivable	Amortized cost
Short term receivable - Province of Manitoba	Loans and receivable	Amortized cost
Accrued revenue - audit fees	Loans and receivable	Amortized cost
Long-term receivable - Province of Manitoba	Loans and receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The fair value of Cash, Accounts receivable, Short-term receivable - Province of Manitoba, Accrued revenue - audit fees, Accounts payable and Accrued liabilities approximate their carrying values. The Long-term receivable - Province of Manitoba is equal to the actuarially determined Provision for employee pension benefits (notes 3 and 6). The carrying value of this receivable approximates its fair value as the interest component is comparable to current market.

Risk Management

The financial instruments of the Office and the nature of the risks which they may be subject to are as follows:

Financial Instrument	Credit Risk	Liquidity Risk
Cash	X	
Accounts Receivable	X	
Short term receivable - Province of Manitoba	X	
Accrued revenue - audit fees	X	
Long-term receivable - Province of Manitoba	X	
Accounts payable, Accrued liabilities		X
Accrued vacation pay		X

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

Credit Risk

The Office is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The maximum exposure of the Office to credit risk at March 31, 2009 is as follows:

Cash	$ 4
Receivables	10,041
	$ 10,045

Management believes that credit risk with respect to receivables is limited due to the parties involved. Receivables from the Government and other public sector organizations at March 31, 2009 comprised 100% of the Office's total receivables.

The Office has not set up an allowance for doubtful accounts as it is confident all amounts will be collected. The Long-term receivable - Province of Manitoba ($9,430) reflects the Province's commitment to fund pension and severance obligations. While the Office accrues the liability and the related funding commitment from the Province as the benefits are earned by Office employees, the Province will only provide the related funding when the benefits are required to be paid to individuals. For the year ended March 31, 2009 the Province paid pension benefits of $436 (2008 - $385) and severance benefits of $53 (2008 - $55) to former Office employees.

Liquidity Risk

Liquidity risk is the risk that the Office will not be able to meet its obligations as they come due. The Office minimizes its liquidity risk by preparing and monitoring detailed forecasts of cash flow requirements, ensuring these forecasts are within our LAMC approved estimates, and drawing from our Consolidated Fund appropriation the required amounts on a quarterly basis.

3. LONG-TERM RECEIVABLE - PROVINCE OF MANITOBA

The Province has accepted responsibility for funding the Office's pension and severance obligations. The Office has therefore recorded a Long-term receivable from the Province of Manitoba equal to the total of the estimated values of its actuarially determined pension and severance obligations (notes 6 and 7). Annually, the Office includes in its calculation of Revenue from the Province of Manitoba amounts equal to its pension and severance accruals (note 5).

The Long-term receivable includes an interest component that is comparable to current market.

4. CAPITAL ASSETS

	2009		2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	$ 647	$ 506	$ 767	$ 598
Computer equipment under capital lease	-	-	292	292
Furniture and fixtures	237	194	237	176
	$ 884	$ 700	$ 1,296	$ 1,066
Net book value	$ 184		$ 230	

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

5. REVENUE FROM THE PROVINCE OF MANITOBA AND UNEXPENDED MONEY

Revenue for the Province of Manitoba is comprised of the following components:

Funding from the Consolidated Fund

Every year the Office's estimates are approved by the Legislative Assembly Management Commission. The Office records as revenue from the Province of Manitoba only the portion that was drawn and expended. Expended amounts include all money disbursed during the fiscal year including capital asset purchases, the prepayment of certain expenses and the resolution of prior year payables/accruals. Any unexpended difference "lapses" and is not available to the Office after the end of the fiscal year. As noted below, for the year ended March 31, 2009 the Office lapsed $742 (2008 - $578).

A reduction for recoveries

Section 23(b) of the Auditor General Act states: " The Auditor General may charge fees for services provided by the office on a basis approved by the Lieutenant Governor in Council. "The Office is the financial statement auditor for a number of government related entities that account for their financial activities outside of the Consolidated Fund. The Office charges a fee for this service.

When calculating Revenue from the Province of Manitoba, the amount drawn from the Consolidated Fund (as noted above) is reduced by the fees we charge other organizations for work conducted by Office employees. Such audit fees are recorded as Audit fee revenue and represent a recovery of the salaries and other expenses paid for by the Office with money received from the Consolidated Fund. The fees collected from these organizations are returned to the Consolidated Fund.

For audits where we use an audit firm to act as our agent, the audit fees collected from an organization are not returned to the Consolidated Fund, but rather are used to pay our agent. Using agents to conduct financial statement audits allows the Office to assign more of its staff resources to the Office's other product lines.

The value of future benefits earned by Office employees

The final element that comprises Revenue from the Province of Manitoba is an amount equal to the value of the future benefits earned by the Office's employees during the year. While the Province will only fund the Office when the benefits are actually required to be paid to individuals (or the Province may pay the benefits directly to individuals through a central appropriation), we record the revenue when the benefits are earned by our employees because we believe this is consistent with the revenue recognition criteria of GAAP which states "Revenues are generally recognized when performance is achieved and reasonable assurance regarding measurement and collectability of the consideration exists."

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

	2009		2008 (restated)	
	Unexpended Money	Revenue	Unexpended Money	Revenue
Estimates approved by the Legislative Assembly Management Commission				
- Salaries and benefits	$ 4,672		$ 4,462	
- Other	1,091		997	
	5,763		5,459	
Funding from the Consolidated Fund				
- Salaries and benefits	3,786		3,132	
- Operating expenditures	1,150	$ 4,936	1,638	$ 4,770
- Severance payments	52		55	
- Vacation payments	33		56	
	5,021		4,881	
Unexpended Money	$ 742		$ 578	
A reduction for recoveries		(544)		(451)
The value of future benefits earned by Office employees				
- Pension		843		946
- Severance		86		50
- Vacation		39		72
		968		1,068
Revenue from the Province of Manitoba		$ 5,360		$ 5,387

The 2008 salaries and benefits figure and the vacation benefits earned figure have been restated to be consistent with the current year's presentation. There was no effect on the Revenue from the Province of Manitoba figure.

The 2008 unexpended money balance has been increased by $47 due to the effect of a 2008 deposit to the Consolidated Fund that was incorrectly recorded as a 2009 deposit to the Consolidated Fund.

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

6. PROVISION FOR EMPLOYEE PENSION BENEFITS

Employees of the Office participate as members of the Civil Service Superannuation Plan, a defined benefit pension plan.

The Provision for employee pension benefits is determined as follows:

	2009	2008
Balance at beginning of year	$ 10,500	$ 9,939
Actuarial (gain)	(1,969)	-
Benefits accrued	246	251
Interest accrued	597	695
Benefits paid	(436)	(385)
Balance at end of year	$ 8,938	$ 10,500

The net pension benefit expense is determined as follows:

Current service cost - employer portion	$ 246	$ 251
Interest costs	597	695
Actuarial (gain)	(1,969)	-
Net pension (recovery) expense	$ (1,126)	$ 946

The pension obligation is determined by an actuarial valuation every three years. The most recent actuarial report is dated December 31, 2007 (received in June 2009). The key actuarial assumptions in the December 31, 2007 actuarial report are a rate of return of 6.5% (2004 - 6.5%), an inflation rate of 2.5% (2004 - 2.5%), a salary rate increase of 3.25% (2004 - 3.25%) and post retirement indexing at 2/3 of the inflation rate. The liability was extrapolated to March 31, 2009 using a formula provided by the actuary.

The Office's portion of the pension benefits paid to retired employees is processed through central appropriations of the Government.

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

7. PROVISION FOR EMPLOYEE SEVERANCE BENEFITS

Employees of the Office earn severance benefits based on one week if salary for each year of service up to a maximum of fifteen weeks. Employees who retire in accordance with the provisions of The Civil Service Superannuation Act will also be eligible for the following:

a) employees with 20 or more years of accumulated service, an additional 2 weeks of pay;
b) employees with 25 or more years of accumulated service, an additional 2 weeks of pay plus the amount in a) above;
c) employees with 30 or more years of accumulated service, an additional 2 weeks of pay plus the amounts in a) and b) above;
d) employees with 35 or more years of accumulated service, an additional 2 weeks of pay plus the amounts in a) and b) and c) above.

The Provision for employee severance benefits is determined as follows:

	2009	2008
Balance at beginning of year	$ 458	$ 462
Actuarial loss	27	-
Benefits accrued	25	18
Interest accrued	35	33
Benefits paid	(53)	(55)
Balance end of year	$ 492	$ 458

The severance obligations are determined by an actuarial valuation every three years. The most recent actuarial report is dated December 31, 2007 (received in June 2009). The key actuarial assumptions in the December 31, 2007 actuarial report are a rate of return of 6.5% (2004 - 6.5%), an inflation rate of 2.5% (2004 - 2.5%) and a salary rate increase of 3.25% (2004 - 3.25%). The provision has been extrapolated to March 31, 2009 using a formula provided by the actuary.

8. COMMITMENT

The Office's premises are leased by Manitoba Infrastructure and Transportation (MIT) from the owner of 330 Portage Avenue, Winnipeg, Manitoba. MIT charges back to the Office the full cost of the lease. The existing lease expires on August 31, 2009. In August 2008 MIT negotiated a new 10 year lease, effective September 1, 2009 for expanded office space. Minimum annual lease payments for the expanded premises are approximately $284 per year for the first 5 years and $296 per year for the next 5 years, not including additional adjustments for occupancy costs which may be applicable for years 2 through 10 of the lease. The new lease expires August 31, 2019.

OFFICE OF THE AUDITOR GENERAL OF MANITOBA
NOTES TO FINANCIAL STATEMENTS

March 31, 2009 (000's)

9. CAPITAL MANAGEMENT

The Office has defined capital as its Net assets available. Each year the Office's estimates are approved by the Legislative Assembly Management Commission and an appropriation is set up from which expenditures are made. The Office's objective when managing capital is to ensure sufficient cash balances are available to cover its cost of operations. Office salaries are drawn directly from our appropriation by the civil service payroll system. For all other operating expenditures, money is drawn and deposited into our bank account on a quarterly basis, in sufficient amounts to meet our expected operating expenditures for the quarter. Any unexpended balance at the end of the year "lapses" and is no longer available to the Office (see note 5). There were no changes to the Office's approach to capital management during the period. The Office is not subject to externally imposed capital requirements.

10. IMPACT OF ACCOUNTING STANDARD CHANGES ON THE OFFICE'S FINANCIAL REPORTING MODE

With the advent of International Financial Reporting Standards (IFRS) and the Province's full adoption of Public Sector Accounting Standards (PSAS), and considering the unique nature of the Office and our Act that is silent regarding the financial reporting model to be used by the Office, we will be re-assessing how best to continue reporting on the full nature and extent of our operations. Options include IFRS, PSAS or disclosing specified financial information. Over the next year, the Office will be evaluating the implications of our various options. Our goal will be to ensure legislators receive information on our operations that is understandable, sufficiently detailed and responsive to our operating context.

Appendices

The Auditor General Act

Appendix A

© Queen's Printer. This is not an official version.
For the official version, please contact Statutory Publications.

C.C.S.M. c. A180

The Auditor General Act

Table of Contents

(Assented to July 6, 2001)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Manitoba, enacts as follows:

PART 1

DEFINITIONS

Definitions

1 In this Act,

"department" means a department or branch of the government; (« ministère »)

"external auditor" means a professional auditor or firm of professional auditors appointed to audit the financial statements of a government organization; (« vérificateur externe »)

"government organization" means a department, government agency or fund included in the summary financial statements of the government reporting entity referred to in clause 65(1)(b) of *The Financial Administration Act*; (« organisme gouvernemental »)

"public money" means public money as defined in *The Financial Administration Act*; (« fonds publics »)

"recipient of public money" means

(a) a person, organization or other body

(i) that has received, directly or indirectly, a grant, loan or advance from the government or a government organization,

(ii) to whom the government or a government organization has transferred property for no consideration or consideration substantially less than its fair market value, or

(iii) for whom the government or a government organization has guaranteed the performance of an obligation or given an indemnity,

(b) a business entity or organization that has received a tax credit under a Manitoba law, or

Appendix A (cont'd) The Auditor General Act

(c) a business entity or organization that has issued a share, debt obligation or other security, if a person is eligible for a tax credit under a Manitoba law in respect of that acquisition or ownership of the security,

but does not include a government organization. (« bénéficiaire de fonds publics »)

PART 2

AUDITOR GENERAL

Appointing the Auditor General
2(1) On the recommendation of the Standing Committee of the Assembly on Legislative Affairs, the Lieutenant Governor in Council must appoint an Auditor General of Manitoba, as an officer of the Assembly, to provide the Assembly with independent information, advice and assurance under this Act.

Role respecting government policy objectives
2(2) Nothing in this Act is to be interpreted as entitling the Auditor General to question the merits of policy objectives of government.

S.M. 2004, c. 42, s. 97.

Appointment process
3(1) The President of the Executive Council must convene a meeting of the Standing Committee on Legislative Affairs if

(a) the office of Auditor General is vacant;

(b) the term of the Auditor General in office will expire within 12 months; or

(c) the Auditor General has resigned and the resignation takes effect within 12 months.

Recommendations of committee
3(2) The Standing Committee on Legislative Affairs must consider candidates for the position of Auditor General and make recommendations to the President of the Executive Council.

Meetings of committee
3(3) To carry out its responsibilities, the Standing Committee on Legislative Affairs may meet during a session of the Legislature or during a recess after prorogation.

No other public office
3(4) The Auditor General may not be nominated for, be elected as, or sit as a member of the Assembly, and may not hold any other public office or engage in any partisan political activity.

S.M. 2004, c. 42, s. 97.

Term
4 The Auditor General is to hold office during good behaviour for a term of 10 years, and may be reappointed for further terms of 10 years each.

Salary
5(1) The Auditor General must be paid a salary within the range of salaries paid to senior deputy ministers in the civil service, and is entitled to the same privileges of office as a senior deputy minister.

No reduction in salary

The Auditor General Act

Appendix A (cont'd)

5(2) The Auditor General's salary must not be reduced except by a resolution of the Assembly carried by a vote of 2/3 of the members voting.

Civil Service Superannuation Act applies
6(1) The Auditor General is an employee within the meaning of *The Civil Service Superannuation Act*.

Civil Service Act does not apply
6(2) *The Civil Service Act*, except sections 42 and 43, does not apply to the Auditor General.

Suspension or removal
7(1) The Lieutenant Governor in Council may suspend or remove the Auditor General from office on a resolution of the Assembly carried by a vote of 2/3 of the members voting.

Suspension if Assembly not sitting
7(2) When the Assembly is not sitting, the Lieutenant Governor in Council may suspend the Auditor General for cause, if advised to do so in writing by a majority of a committee consisting of the President of the Executive Council and the recognized leaders of the members belonging to the political parties in opposition. But a suspension imposed when the Assembly is not sitting may not continue beyond the end of the next sitting.

Deputy Provincial Auditor General
8(1) On the Auditor General's recommendation, the Lieutenant Governor in Council may appoint a Deputy Auditor General in accordance with *The Civil Service Act*.

Duties
8(2) If the Auditor General is absent or unable to act or if the office is vacant, the Deputy Auditor General has the powers and must carry out the responsibilities of the Auditor General.

Salary in certain cases
8(3) During any period that the Deputy Auditor General must assume the Auditor General's responsibilities for an extended period, the Lieutenant Governor in Council may direct that the Deputy be paid a salary within the same range as the Auditor General.

No other public office
8(4) The Deputy Auditor General may not be nominated for, be elected as, or sit as a member of the Assembly, and may not hold any other public office or engage in any partisan political activity.

PART 3

RESPONSIBILITIES OF THE AUDITOR GENERAL

AUDIT OF ACCOUNTS AND FINANCIAL STATEMENTS

Audit of government accounts
9(1) The Auditor General is the auditor of the accounts of the government, including those relating to the Consolidated Fund, and must make any examinations and inquiries that he or she considers necessary to enable the Auditor General to report as required by this Act.

Audit of other public money
9(2) The Auditor General is responsible for examining and auditing public money that is not part of the Consolidated Fund, unless an Act provides otherwise.

Appendix A (cont'd) The Auditor General Act

Audit of the Public Accounts
9(3) The Auditor General is responsible for examining and auditing the financial statements included in the Public Accounts under *The Financial Administration Act*, and any other statements the Minister of Finance presents for audit.

Opinion about the Public Accounts
9(4) The Auditor General must express an opinion as to whether the financial statements included in the Public Accounts fairly present information in accordance with the accounting policies of the government stated in the Public Accounts and on a basis consistent with that of the preceding year, and must set out any reservations the Auditor General might have.

Report to ministers
9(5) At least once in each year, the Auditor General shall make a report about the examinations and audits conducted under this section to the minister responsible for each government organization concerned and to the Minister of Finance. The Auditor General must allow at least 14 days for those ministers to review and comment on the report before finalizing it for submission to the Assembly under subsection 10(1).

Advice to officials
9(6) The Auditor General may advise appropriate officers and employees of matters discovered in conducting examinations and audits under this section.

Annual report to Assembly
10(1) No later than December 31 in each year, the Auditor General must report to the Assembly about the examinations and audits conducted under section 9.

Content of the report
10(2) The report must indicate anything resulting from the work of the Auditor General that he or she considers should be brought to the Assembly's attention, including, but not limited to, circumstances in which

(a) required information was not provided or was not provided within a reasonable time;

(b) accounts were not properly kept or public money was not fully accounted for;

(c) essential records were not maintained, or the rules and procedures applied were insufficient, to

(i) safeguard and control public property,

(ii) secure an effective check on the assessment, collection and proper allocation of revenue, or

(iii) ensure that expenditures were made only as authorized;

(d) public money was expended for purposes other than those for which it was appropriated by the Legislature;

(e) financial and administrative provisions of Acts, regulations, policies and directives were not complied with.

Report may include recommendations
10(3) The report may include any recommendation the Auditor General wishes to make, and may

The Auditor General Act

draw attention to and make recommendations about any audit conducted by an external auditor under section 12.

SPECIAL REPORT TO ASSEMBLY

Special report to Assembly
11 The Auditor General may make a special report to the Assembly on any matter of pressing importance or urgency that he or she considers should not be deferred until the next annual report under section 10 is presented.

AUTHORITY OVER EXTERNAL AUDITORS

Scope of an external audit
12(1) When an external auditor is appointed to audit the financial statements of a government organization, the Auditor General may require the external auditor to give the Auditor General a description of the proposed scope of the audit before the audit is begun. The Auditor General may then require changes to be made in the scope of the audit.

Further directions
12(2) Before an external auditor issues an audit opinion on the financial statements of a government organization, the Auditor General may require the external auditor to

(a) give the Auditor General a copy of the proposed audit opinion, the financial statements, and any recommendations arising out of the audit of the financial statements; and

(b) conduct additional examinations relating to the financial statements.

Audit working papers
12(3) The Auditor General may require an external auditor to give the Auditor General a copy of the audit working papers.

Audit opinion
12(4) As soon as an audit is completed, an external auditor must give the Auditor General a copy of the audit opinion on the financial statements of a government organization and any recommendations arising out of the audit of the financial statements.

Reliance on external auditor's report
13 In order to fulfil his or her responsibilities as the auditor of the government's accounts, the Auditor General may rely on the report of an external auditor of a government organization or of a subsidiary of a government organization.

AUDIT OF OPERATIONS

Audit of operations
14(1) In carrying out his or her responsibilities under this Act, the Auditor General may examine and audit the operations of a government organization with regard to any of the following matters:

(a) whether financial and administrative provisions of Acts, regulations, policies and directives have been complied with;

(b) whether public money has been expended with proper regard for economy and efficiency;

(c) whether the Assembly has been provided with appropriate accountability information;

Appendix A (cont'd) The Auditor General Act

(d) whether the form and content of financial information documents is adequate and suitable.

Report to ministers
14(2) At least once in each year, the Auditor General shall make a report about the examinations and audits conducted under this section to the minister responsible for each government organization concerned and to the Minister of Finance. The Auditor General must allow at least 14 days for those ministers to review and comment on the report before finalizing it for submission to the Assembly.

Report to officials
14(3) The Auditor General may advise appropriate officers and employees of matters discovered in conducting examinations and audits under this section.

Report to Assembly
14(4) The Auditor General must report to the Assembly annually on the work carried out under this section, and may bring to the Assembly's attention anything he or she considers necessary, including recommendations.

AUDIT OF RECIPIENT OF PUBLIC MONEY

Audit of recipient of public money
15(1) The Auditor General may conduct an examination and audit in respect of public money received by a recipient of public money, including the matters listed in subsection 14(1), and may require the recipient to prepare and give to the Auditor General the financial statements setting out the details of the disposition of the public money received.

No obstruction
15(2) No person shall obstruct or provide false or misleading information to the Auditor General or a person employed under the Auditor General in conducting an examination or audit under this section, or conceal or destroy any records or things relevant to an examination or audit.

Offence
15(3) A person who contravenes subsection (2) is guilty of an offence and is liable on summary conviction to a fine of not more than $10,000.

Reliance on report of other auditor
15(4) The Auditor General may rely on the report of an auditor appointed by a recipient of public money.

SPECIAL AUDIT ON REQUEST

Special audit on request
16(1) When requested to do so by the Lieutenant Governor in Council or the Minister of Finance, or by resolution of the Standing Committee on Public Accounts, the Auditor General may examine and audit the accounts of a government organization, recipient of public money or other person or entity that in any way receives, pays or accounts for public money. But the Auditor General is not obliged to do so if he or she is of the opinion that it would interfere with the primary responsibilities of the Auditor General.

Report
16(2) The Auditor General must report the findings of an audit under this section to the person or body that requested the audit and to the minister responsible for any government organization concerned.

The Auditor General Act

Appendix A (cont'd)

Report submitted to the Assembly
16(3) The Auditor General may submit a report of an audit under this section to the Assembly if it is in the public interest to do so, but must allow at least 14 days for the minister responsible for the government organization and the Minister of Finance to review and comment on the report before finalizing it for submission to the Assembly.

JOINT AUDIT

Joint audit
17 With respect to public money that is spent jointly, the Auditor General may undertake a joint audit with the Auditor General of Canada, an Auditor General or Provincial Auditor of another province or territory, or an auditor of a municipality.

PART 4

POWERS OF THE AUDITOR GENERAL

Access to records
18(1) Despite any other Act, the Auditor General is entitled to access at all reasonable times to the records of any government organization that are necessary for the purpose of this Act.

Access to information
18(2) The Auditor General may require and is entitled to receive any information necessary for the purpose of this Act from

(a) any person in the public service or formerly in the public service;

(b) any current or former director, officer, employee or agent of a government organization or of a recipient of public money; or

(c) any other person, organization or other body that the Auditor General believes on reasonable grounds may have information relevant to an examination or audit under this Act.

No access to Cabinet confidences
18(3) Despite subsections (1) and (2), the Auditor General shall not have access to information described in subsection 19(1) of *The Freedom of Information and Protection of Privacy Act*, except in the circumstances mentioned in subsection 19(2) of that Act.

Part V of Evidence Act powers
19 The Auditor General or his or her delegate may examine any person on oath on any matter that the Auditor General considers relevant to an examination and audit under this Act, and for that purpose the Auditor General or delegate has the powers of a commissioner appointed under Part V of *The Manitoba Evidence Act*.

Staff in government organizations
20 To carry out responsibilities under this Act more effectively, the Auditor General may place a person or persons employed under the Auditor General in any government organization, and the organization must provide the necessary office accommodation.

Security requirements
21 The Auditor General must ensure that every person employed under the Auditor General who is to examine records of a government organization complies with any security requirements applicable to persons employed in that organization.

Appendix A (cont'd) The Auditor General Act

PART 5

GENERAL PROVISIONS

STAFF AND OFFICE OF THE AUDITOR GENERAL

Staff appointed under Civil Service Act
22(1) Officers and employees necessary to enable the Auditor General to perform his or her duties must be appointed in accordance with *The Civil Service Act*.

Civil Service Superannuation Act applies
22(2) Officers and employees of the Auditor General, including the Deputy Auditor General, are employees within the meaning of *The Civil Service Superannuation Act*.

Office of the Auditor General
23 The Auditor General is responsible for the internal operations of his or her office and for the persons employed under the Auditor General. For those purposes, the Auditor General may

(a) establish office policies and procedures consistent with practices followed by the government;

(b) charge fees for services provided by the office on a basis approved by the Lieutenant Governor in Council;

(c) delegate to any person employed under the Auditor General any responsibility or power that the Auditor General has under this Act, other than the responsibility to report to the Assembly;

(d) maintain an independent bank account; and

(e) contract for professional services.

CONFIDENTIALITY

Confidentiality
24(1) The Auditor General and everyone employed under the Auditor General shall preserve secrecy concerning all matters that come to their knowledge in the course of their work under this Act, and shall not communicate those matters to any person unless required to do so in connection with the proper administration of this Act or a proceeding under this Act, or in a court of law.

Exception
24(2) Nothing in subsection (1) limits the Auditor General's right to report under this Act on the conclusions of an examination or audit.

Working papers confidential
25 The working papers relating to an examination or audit by the Auditor General or a person employed under the Auditor General are confidential and must not to be laid before the Assembly or any committee of the Assembly.

ANNUAL REPORT OF AUDITOR GENERAL'S OFFICE

Annual audit of Auditor General's office
26(1) Each year, an auditor whose appointment is approved by the Legislative Assembly Management Commission must examine the accounts of the office of the Auditor General and prepare

The Auditor General Act

Appendix A (cont'd)

a report. The Commission may also direct the auditor to conduct an audit respecting any of the matters listed in subsection 14(1).

Annual report
26(2) Before August 1 each year, the Auditor General must report to the Assembly on the operations of his or her office. The report must include

(a) information on the performance of the office; and

(b) the report on the annual audit under subsection (1).

ESTIMATES

Estimates
27(1) The Auditor General shall present annually to the Legislative Assembly Management Commission estimates of the amount of money that will be required for the purpose of this Act.

Special report
27(2) The Auditor General may make a special report to the Assembly if he or she thinks that the amount of money provided in the estimates submitted to the Legislature is inadequate.

Money
27(3) The money required for the purpose of this Act is to be paid out of the Consolidated Fund from money authorized by an Act of the Legislature.

Unexpended money to be paid into Consolidated Fund
27(4) All money which has been authorized by an Act of the Legislature to be paid and applied for the purposes of this Act that remains unexpended at the end of the fiscal year must be paid to the Minister of Finance and becomes part of the Consolidated Fund.

TABLING REPORTS IN THE ASSEMBLY

Tabling reports in the Assembly
28(1) When making a report to the Assembly under this Act, the Auditor General must submit the report to the Speaker. The Speaker must lay a copy of it before the Assembly within 15 days after receiving it if the Assembly is sitting or, if it is not, within 15 days after the beginning of the next sitting.

Distribution to members of the Assembly
28(2) On receiving a report under this Act, the Speaker must direct that copies be sent to the members of the Assembly.

Referral to Public Accounts Committee
28(3) A report to the Assembly under this Act stands referred to the Standing Committee on Public Accounts.

PROTECTION FROM LIABILITY

Protection from liability
29 No proceeding may be instituted against the Auditor General, the Deputy Auditor General, or any person employed under the Auditor General,

(a) for any act done in good faith in the performance or intended performance of a duty or in the

Appendix A (cont'd) The Auditor General Act

exercise or intended exercise of a power under this or any other Act or regulation; or

(b) for any neglect or default in the performance or intended performance or in the exercise or intended exercise in good faith of a duty or power described in clause (a).

TRANSITIONAL, CONSEQUENTIAL, REPEAL AND COMING INTO FORCE

Transitional

30 *The Provincial Auditor appointed under **The Provincial Auditor's Act** continues in office as the Auditor General under this Act as if appointed under this Act for a term that expires on the day the appointment under **The Provincial Auditor's Act** would expire.*

31

NOTE: The Schedule referred to in this section contained consequential amendments to other Acts that are now included in those Acts.

Repeal

32 *The Provincial Auditor's Act*, R.S.M. 1987, c. P145, is repealed.

C.C.S.M. reference

33 This Act may be referred to as chapter A180 of the *Continuing Consolidation of the Statutes of Manitoba*.

Coming into force

34 This Act comes into force on a day fixed by proclamation.

NOTE: S.M. 2001, c. 39 was proclaimed in force May 1, 2002.

Table of Contents
Back Acts and Regulations > List of C.C.S.M. Acts Top

Listing of Audit Entities

Appendix B

Financial Statement Audits Conducted by the Auditor General's Office

Public Accounts

Summary Financial Statements
Consolidated Fund (Operating Fund and other Special Funds)
Fiscal Stabilization Fund
Debt Retirement Fund
Amounts Paid to MLAs

Crown Organizations

Board of Administration under The Embalmers and Funeral Directors Act
Cooperative Loans and Loans Guarantee Board
Cooperative Promotion Board
Council on Post Secondary Education
Horse Racing Commission
Legal Aid Services Society of Manitoba
Manitoba Gaming Control Commission
Manitoba Health Services Insurance Plan
Manitoba Hospital Capital Financing Authority
Manitoba Housing and Renewal Corporation
Manitoba Trade and Investment Corporation
Public Schools Finance Board
Special Operating Agencies Financing Authority
University College of the North
University of Manitoba (and subsidiaries)

Special Operating Agencies

Public Trustee

Other

Canada-Manitoba Agreement on the Transfer of Federal Gas Tax Revenues
Civil Service Superannuation Fund
Estates and Trusts under Administration by the Public Trustee
Labour Market Development Agreement
Manitoba Home Care Employees' Benefits Trust Fund
Public Sector Compensation Disclosure Statement
Public Service Group Insurance Fund
Teachers' Retirement Allowances Fund

Appendix B (cont'd) Listing of Audit Entities

University of Manitoba Pension Plans
Winnipeg Child and Family Services Employee Benefits and Retirement Plan

Financial Statement Audits Conducted by the Auditor General's Office Under an Agency Agreement with a Private Sector Accounting Firm

Public Accounts

Northern Affairs Fund

Crown Organizations

Brandon University (and subsidiaries)
Centre culturel franco-manitobain
Economic Innovation and Technology Council
Helen Betty Osborne Foundation
Manitoba Agricultural Services
Manitoba Centennial Centre Corporation
Manitoba Habitat Heritage Corporation
Manitoba Water Services Board
University of Winnipeg (and subsidiaries)

Government Enterprises

Leaf Rapids Town Properties Ltd.

Special Operating Agencies

Manitoba Text Book Bureau
Organization and Staff Development

Other

Brandon University Retirement Plan
University of Winnipeg Pension Plan

Listing of Audit Entities

Appendix B (cont'd)

Financial Statement Audits Conducted by Private Sector Accounting Firms With Overviews Performed by the Office of the Auditor General

Crown Organizations

Addictions Foundation of Manitoba
Assiniboine Community College
Cancer Care Manitoba
Child and Family Services of Central Manitoba
Child and Family Services of Western Manitoba
Collège universitaire de Saint-Boniface
Communities Economic Development Fund
Crown Corporations Council
Diagnostic Services of Manitoba Inc.
First Nations of Northern Manitoba Child & Family Services Authority
First Nations of Southern Manitoba Child & Family Services Authority
General Child and Family Services Authority
Insurance Council of Manitoba
Manitoba Adolescent Treatment Centre Inc.
Manitoba Arts Council
Manitoba Boxing Commission
Manitoba Community Services Council Inc.
Manitoba Development Corporation
Manitoba Film and Sound Recording Development Corporation
Manitoba Floodway Authority
Manitoba Health Research Council
Manitoba Opportunities Fund Ltd.
Métis Child and Family Services Authority
Red River College
Regional Health Authorities:
- Assiniboine Regional Health Authority Inc.
- Brandon Regional Health Authority Inc.
- Burntwood Regional Health Authority Inc.
- Churchill Regional Health Authority Inc.
- Interlake Regional Health Authority Inc.
- Nor-Man Regional Health Authority Inc.
- North Eastman Health Authority Inc.
- Parkland Regional Health Authority Inc.
- Regional Health Authority – Central Manitoba Inc.
- South Eastman Health/Sante Sud-Est Inc.
- Winnipeg Regional Health Authority Inc.

Appendix B (cont'd) Listing of Audit Entities

Rehabilitation Centre for Children Inc.
Sport Manitoba Inc.
Tire Stewardship Board
Travel Manitoba

Government Enterprises

Manitoba Hazardous Waste Management Corporation
Manitoba Hydro-Electric Board
Manitoba Liquor Control Commission
Manitoba Lotteries Corporation
Manitoba Product Stewardship Corporation
Manitoba Public Insurance Corporation
Venture Manitoba Tours Ltd.
Workers Compensation Board of Manitoba

Special Operating Agencies

Civil Legal Services Agency
Companies Office
Fleet Vehicles Agency
Food Development Centre
Industrial Technology Centre
Land Management Services
Manitoba Education Research and Learning Information Networks (MERLIN)
Manitoba Securities Commission
Materials Distribution Agency
Office of the Fire Commissioner
Pineland Forest Nursery
Property Registry
Vital Statistics Agency

Listing of Selected Auditor General's Reports by Subject Area

Appendix C

Many of our reports identify sources of good management practices and advice that departments, agencies, crowns and other public sector bodies can draw on. As such, many of our reports have wider relevance for the public sector. These reports can be accessed through our website at **www.oag.mb.ca**.

Financial Stewardship

- Annual Audit of the Public Accounts
- A Study of Investment Disclosure Practices – Risk Capital Funds (Spring 1998)
- Revenue System Review (March 2001)
- Agassiz School Division (Special Audit, March 2001)
- Investigation of the Rural Municipality of St. Clements and Review of Municipal Financial Accounting and Reporting Standards in Manitoba (Special Audit, September 2002)
- Northern Manitoba Community Councils' Financial Reporting Standards (March 2004)
- University of Winnipeg Financial Review (March 2004)
- Review of Municipal Financial Accounting and Reporting Standards in Manitoba (March 2004)
- A Review of School Division Financial Accounting and Reporting (December 2005)
- Infrastructure Tangible Capital Assets Audit Report (December 2005)
- The Use of Derivative Financial Instruments in the Province of Manitoba (December 2005)

Appendix C (cont'd) Listing of Selected Auditor General's Reports by Subject Area

Service Delivery

- Canada-Manitoba Communications Agreement (Spring 1998)
- Urban Shared Services Corporation, Implementation of Shared Food Services (June 2000)
- Investigation of an Adult Learning Centre in Morris-Macdonald School Division (Special Audit, September 2001)
- Public Housing (December 2002)
- Student Financial Assistance Program (September 2002)
- A Review of the Student Records Section of the Professional Certification and Student Records Unit (March 2004)
- Investigation of the Maintenance Branch of the Manitoba Housing Authority (Special Audit, November 2004)
- Pharmacare Program Part 1 (April 2006)
- Workplace Safety and Health (February 2007)
- Property Transactions in the Seven Oaks School Division (Special Audit, August 2007)
- Rural Municipality of La Broquerie (Special Audit, March 2008)
- Employment and Income Assistant Program (December 2008)
- Monitoring Compliance with the Ambulance Services Act (December 2008)
- Pharmacare Program Part 2 (December 2008)

Accountability

- Accountability Framework for Departments (September 1996)
- Public Schools Program Accountability Framework (September 1996)
- Child and Family Support Branch – Agency Accountability (Summer 1999)
- Dakota Tipi First Nation Gaming Commission and First Nation Gaming Accountability in Manitoba (Special Audit, March 2003)

Listing of Selected Auditor General's Reports by Subject Area

Appendix C (cont'd)

Accountability (cont'd)

- Voluntary Sector Grant Accountability: Perspectives and Practices (February 2005)
- Aiyawin Corporation: The Consequences of Mismanagement in a shared Responsibility Framework (Special Audit, March 2006)
- Child & Family Services Division, Pre-Devolution Child in Care Processes and Practices (December 2006)
- Mandatory Legislative Reviews (December 2007)

Procurement

- Tendering of the Home Oxygen Therapy Services Contract (Spring 1998)
- Image Campaign for the Province of Manitoba (Special Audit, October 2007)

Entity Review

- Office of the Public Trustee (Spring 1998)
- Office of the Public Trustee – Criteria of Control (Summer 1999)
- An Investigation of Manitoba Lotteries Corporation (Special Audit, May 2000)
- Lions Club of Winnipeg Housing Centres (Special Audit, March 2001)
- An Examination of Le Collège de Saint-Boniface (Special Audit, August 2003)
- A Review of Crown Corporations Council (March 2004)
- Investigation of Hydra House LTD (Special Audit, June 2004)
- Investigation of the Crocus Investment Fund (Special Audit, May 2005)
- Review of the Workers Compensation Board (Special Audit, January 2006)
- External Assessment of Internal Audit and Consulting Services (December 2006)

Appendix C (cont'd) Listing of Selected Auditor General's Reports by Subject Area

Environmental Protection/Sustainable Development

- Sustainable Development Innovations Fund (Spring 1998)
- Review of the Province of Manitoba's Management of Contaminated Sites (November 2005)
- The Protection of Well Water Quality in Manitoba (November 2005
- The Province's Management of Contaminated Sites and Landfills (October 2007)
- The Department of Conservation's Management of the Environmental Livestock Program (October 2007)
- Compliance with Oil & Gas Legislation (December 2008)

Managing for Results, Performance Measurement and Reporting

- Highway Planning: Strategic and Long Range (September 1996)
- Planning for Highway Construction (Spring 1998)
- Business Planning and Performance Measurement: An Assessment of Timeliness of Implementation and Effectiveness of the Process in Departments (July 2000)
- A Study of Trends and Leading Practices in Business Planning and Performance Measurement (December 2000)
- Performance Reporting in Annual Reports: Current Practices Among Crown Entities (December 2002)
- Attributes of Managing and Reporting Results: A Survey of Senior Management (March 2004)

Information Technology

- University of Winnipeg, Investment in Information Technology (June 2000)
- Keewatin Community College – Investment in Information Technology (February 2002)
- Assiniboine Community College Investment in Information Technology (December 2002)

Listing of Selected Auditor General's Reports by Subject Area

Appendix C (cont'd)

Information Technology (cont'd)

- Red River College (March 2004)
- Computer Security Incident Response Capability (March 2004)

Oversight and Governance

- An Examination of Governance in Manitoba's Crown Organizations (June 1998)
- An Examination of School Board Governance in Manitoba (October 2000)
- An Examination of Regional Health Authorities' Governance in Manitoba (January 2003)
- Enhanced Board Governance in Not-For-Profit Organizations (February 2005)
- Enhancing Audit Committee Practices in the Public Sector (October 2006)
- A Guide to Leading Edge Internal Audit in the Public Sector (October 2006)

Policy Development Capacity

- A Review of the Policy Development Capacity Within Government Departments (November 2001)
- A Guide to Policy Development (January 2003)
- A Quality Assurance Guide for Policy Development (November 2005)